

**CITY OF SANTA BARBARA
CITY COUNCIL
REDEVELOPMENT AGENCY**

Helene Schneider
Mayor/Chair
Grant House
Mayor Pro Tempore/Vice Chair
Bendy White
Ordinance Committee Chair
Das Williams
Finance Committee Chair
Dale Francisco
Frank Hotchkiss
Michael Self



James L. Armstrong
*City Administrator/
Executive Director*

Stephen P. Wiley
City Attorney/Agency Counsel

City Hall
735 Anacapa Street
<http://www.SantaBarbaraCA.gov>

**JULY 13, 2010
AGENDA**

ORDER OF BUSINESS: Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council and Redevelopment Agency meetings begin at 2:00 p.m. in the Council Chamber at City Hall.

REPORTS: Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and <http://www.SantaBarbaraCA.gov>. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (<http://www.SantaBarbaraCA.gov>). Materials related to an item on this agenda submitted to the Council/Redevelopment Agency after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

PUBLIC COMMENT: At the beginning of the 2:00 p.m. session of each regular Council/Redevelopment Agency meeting, and at the beginning of each special Council/Redevelopment Agency meeting, any member of the public may address them concerning any item not on the Council/Redevelopment Agency agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the Council/Redevelopment Agency. Should Council/Redevelopment Agency business continue into the evening session of a regular Council/Redevelopment Agency meeting at 6:00 p.m., the Council/Redevelopment Agency will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The Council/Redevelopment Agency, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

REQUEST TO SPEAK: A member of the public may address the Finance or Ordinance Committee or Council/Redevelopment Agency regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or Council/Redevelopment Agency.

CONSENT CALENDAR: The Consent Calendar is comprised of items that will not usually require discussion by the Council/ Redevelopment Agency. A Consent Calendar item is open for discussion by the Council/Redevelopment Agency upon request of a Council/Agency Member, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council/Redevelopment Agency considers the Consent Calendar.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

TELEVISION COVERAGE: Each regular Council meeting is broadcast live in English and Spanish on City TV Channel 18, and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at www.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

- 12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room, 630 Garden Street
- 2:00 p.m. - City Council Meeting
- 2:00 p.m. - Redevelopment Agency Meeting
- 4:00 p.m. - Work Session – Plan Santa Barbara General Plan Update (Estimated Time)

FINANCE COMMITTEE MEETING - 12:30 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

1. Subject: Article XV And Article XV-A Service Retirement Plan Funding

Recommendation: That the Finance Committee:

- A. Hear a report from staff regarding the funding status of the City's Article XV and Article XV-A Service and Disability Retirement Plans established in 1927 and 1937, respectively, for police and fire employees; and
- B. Forward to City Council a recommendation to shift funds accumulated for injured fire and police personnel from the Self-Insurance Trust Fund to the City's Article XV and XV-A Pension Plans to partially offset the unfunded accrued pension liabilities as of June 30, 2009.

2. Subject: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2011

Recommendation: That Finance Committee recommend that Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 09-063; and
- B. Authorize the City Administrator/City Clerk/City Treasurer to invest or reinvest funds, or to sell or exchange securities so purchased for the City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara for Fiscal Year 2011.

(See Council/Redevelopment Agency Agenda Item No. 3)

**REGULAR CITY COUNCIL MEETING – 2:00 P.M.
REGULAR REDEVELOPMENT AGENCY MEETING – 2:00 P.M.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

1. Subject: Employee Recognition - Service Award Pins (410.01)

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through July 31, 2010.

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

CITY COUNCIL

2. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of June 8, 2010, the special meeting of June 14, 2010, and the regular meeting of June 15, 2010.

3. Subject: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2011 (260.01)

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 09-063; and
- B. Authorize the City Administrator/City Clerk/City Treasurer to invest or reinvest funds, or to sell or exchange securities so purchased for the City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara for Fiscal Year 2011.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

4. Subject: Adoption Of Ordinance Amending Municipal Code Title 17 Regarding Waterfront Department Policies (570.03)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Title 17 Sections 17.18.050, 17.20.005 (I) and (L), 17.20.255, 17.28.010, 17.28.020 and 17.28.070 of the Santa Barbara Municipal Code Pertaining to Operations at the Waterfront.

5. Subject: Request For Final Community Priority Designation For The Cancer Center Of Santa Barbara Project At 540 W. Pueblo Street (640.09)

Recommendation: That Council grant The Cancer Center of Santa Barbara a Final Community Priority Designation for 5,845 square feet of non-residential floor area.

6. Subject: Community Promotion Contract With Old Spanish Days (180.02)

Recommendation: That Council authorize the Finance Director to execute a Community Promotion contract with Old Spanish Days in an amount of \$89,368 covering the period from July 1, 2010, to May 31, 2011.

7. Subject: Community Promotion Contract For The Santa Barbara Region Chamber Of Commerce To Support Operation Of The Visitor Information Center (180.01)

Recommendation: That Council authorize the Finance Director to execute a Community Promotion contract with the Santa Barbara Region Chamber of Commerce in an amount of \$49,045 to support year-round expenses of the Visitor Information Center.

8. Subject: Community Promotion Contract With Santa Barbara International Film Festival (230.02)

Recommendation: That Council authorize the Finance Director to execute a Community Promotion contract with Santa Barbara International Film Festival in an amount of \$49,464 covering the period from July 1, 2010, to June 30, 2011.

9. Subject: Community Promotion Contract With The Santa Barbara Conference And Visitors Bureau And Film Commission (180.02)

Recommendation: That Council authorize the Finance Director to execute the Fiscal Year 2011 Community Promotion contract with the Santa Barbara Conference and Visitors Bureau in an amount of \$1,349,535 for the term of July 1, 2010, through June 30, 2011.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

10. Subject: Receipt Of Community Fuels Hazard Reduction Grant (520.03)

Recommendation: That Council:

- A. Authorize the receipt of grant funds totaling \$228,000 from the U.S. Forest Service through the California Fire Safe Council Clearing House; and
- B. Increase appropriations and estimated revenues for Fiscal Year 2011 by \$228,000 in the Miscellaneous Grants Fund for use in the Santa Barbara 2010 Community Fuels Hazard Reduction Project, using established City contract procedures.

11. Subject: Grant Agreement With South Coast Community Media Access Center (510.04)

Recommendation: That Council authorize the Finance Director to execute a grant agreement, in a form of agreement acceptable to the City Attorney, with the South Coast Community Media Access Center for management of the public and educational access television channels in an amount of \$288,800 covering the period from July 1, 2010, to June 30, 2011.

12. Subject: Lease Agreements For Franklin Neighborhood Center, Westside Community Center, And Louise Lowry Davis Recreation Center (330.04)

Recommendation: That Council approve and authorize the Parks and Recreation Director to execute the lease agreements for a term of July 1, 2010, through June 30, 2011, for space at the following locations:

Franklin Neighborhood Center

- Cornelia Moore Dental Foundation Clinic
- Endowment for Youth

Westside Community Center

- Community Action Commission/Senior Nutrition Program
- Independent Living Resources Center
- Special Olympics Southern California
- UCP/Work Inc.
- Youth CineMedia

Louise Lowry Davis Recreation Center

United Cerebral Palsy Association of Los Angeles, Ventura, and Santa Barbara Counties

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

13. Subject: Downtown Organization Maintenance Agreement For Fiscal Year 2011 (530.04)

Recommendation: That Council authorize the Parks and Recreation Director to execute an agreement in the amount of \$594,242 with the Downtown Organization (DO) for landscape maintenance, sidewalk cleaning, and general maintenance of the 00-1200 blocks of State Street from Victoria Street to Cabrillo Boulevard, including the 101 underpass and various cross streets from July 1, 2010, through June 30, 2011.

14. Subject: Sole Source Vendor For Clean Air Express Transit Passes (670.02)

Recommendation: That Council find it in the City's best interest to approve the City of Santa Maria as the sole source vendor for purchasing Clean Air Express Transit Passes for City of Santa Barbara employees participating in the Work Trip Reduction Incentive Program, in accordance with Section 4.52.080 (k) of the Municipal Code, and authorize renewals for the next four fiscal years subject to Council approval of funding.

15. Subject: Donation Of Lenco Bearcat Special Purpose Vehicle To The Police Department (520.04)

Recommendation: That Council accept the donation of a 2010 Lenco Bearcat Special Purpose Vehicle from the County of Santa Barbara, Office of Emergency Services (OES), for use by the Santa Barbara Police Department.

16. Subject: Increase In Change Order Authority For The El Estero Wastewater Treatment Plant Fats, Oil, And Grease Project (540.13)

Recommendation: That Council authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra design work for the El Estero Wastewater Treatment Plant (El Estero) Fats, Oil, and Grease (FOG) Project (Project), in the amount of \$22,000, for a total project expenditure authority of \$86,800.

17. Subject: Increase Change Order Authority For American Recovery And Reinvestment Act Road Overlay Project (530.04)

Recommendation: That Council authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the American Recovery and Reinvestment Act (ARRA) Road Overlay Project (Project), Contract No. 23,321, in the amount of \$90,000, for a total project expenditure authority of \$1,256,154.

CONSENT CALENDAR (CONT'D)

REDEVELOPMENT AGENCY

18. Subject: Minutes

Recommendation: That the Redevelopment Agency Board waive the reading and approve the minutes of the regular meeting of June 8, 2010.

19. Subject: Redevelopment Agency Fiscal Year 2010 Interim Financial Statements For The Eleven Months Ended May 31, 2010

Recommendation: That the Redevelopment Agency Board accept the Redevelopment Agency Fiscal Year 2010 Interim Financial Statements for the Eleven Months Ended May 31, 2010.

NOTICES

20. The City Clerk has on Thursday, July 8, 2010, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
21. Received a letter of resignation from Franklin Center Advisory Committee Member Jhoane Perez; the vacancy will be part of the next recruitment for City advisory groups.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

22. Subject: Proposed Santa Barbara Tourism Business Improvement District (150.05)

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Its Intention to Establish the Santa Barbara Tourism Business Improvement District (SBTBID), and Fixing the Time and Place of the Public Hearings Thereon and Giving Notice Thereof; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Requesting Consent of the Cities of Carpinteria and Goleta, and the County of Santa Barbara, to Create the Santa Barbara Tourism Business Improvement District.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

PUBLIC WORKS DEPARTMENT

23. Subject: Eucalyptus Hill Road Underground Utility Assessment District Engineer's Report And Recommended Project Conclusion (290.00)

Recommendation: That Council:

- A. Receive the Assessment Engineer's Report (Report) for the Eucalyptus Hill Road Underground Utility Assessment District (UUAD); and
- B. Take no further action regarding the formation of the proposed Eucalyptus Hill Road UUAD.

WORK SESSIONS

24. Subject: Council Work Sessions Regarding *Plan Santa Barbara* General Plan Update (650.05)

Recommendation: That Council hold a series of work sessions regarding *Plan Santa Barbara (PlanSB)* with presentations by staff on topics including, but not limited to: an overview of the Draft Proposed General Plan; the Program Environmental Impact Report; Transportation Demand Management; and various policy directives for residential density, development and design policies, and growth management.

(Estimated Time: 4:00 p.m.)

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

25. Subject: Conference With Real Property Negotiator (330.03)

Recommendation: That Council:

- A. Hold a closed session to consider instructions to its negotiators regarding a possible long-term lease of City-owned property consisting of a fifteen-acre parcel of real property located at 6100 Hollister Avenue at the Airport, bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map [City Parcel Map No. 20,608]) in the City of Santa Barbara. Instructions to negotiators will direct staff regarding the price and terms of payment of a

(Cont'd)

CLOSED SESSIONS (CONT'D)

25. (Cont'd)

A. (Cont'd)

possible lease of the City-owned property with Target Corporation, a Minnesota corporation. Negotiations are held pursuant to the authority of Section 54956.8 of the California Government Code. City Negotiators are: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Sarah Knecht, Assistant City Attorney. Negotiator for the potential lessee is Dietrich Haar, Real Estate Manager; and

B. Hold a closed session to consider instructions to its negotiators regarding a possible long-term lease, purchase or exchange of City-owned property consisting of a fifteen-acre parcel of real property located at 6100 Hollister Avenue at the Airport, bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map [City Parcel Map No. 20,608]) in the City of Santa Barbara. Instructions to negotiators will direct staff regarding the price and terms of payment of a possible lease, purchase or exchange of the City-owned property located at 6100 Hollister Avenue with the California Army National Guard for the National Guard Armory property located at 730 E. Canon Perdido (APN 031-041-001) in the City of Santa Barbara. Negotiations are held pursuant to the authority of Section 54956.8 of the California Government Code. City Negotiators are: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Stephen P. Wiley, City Attorney. Negotiator for the potential lessee, seller or exchange is Colonel Michael L. Herman.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

26. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, Police Managers Association, the Treatment and Patrol Bargaining Units, Firefighters Association, and the Hourly Bargaining Unit about salaries and fringe benefits.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: July 13, 2010

Das Williams, Chair

TIME: 12:30 p.m.

Dale Francisco

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Michael Self

James L. Armstrong
City Administrator

Robert Samario
Interim Finance Director

ITEMS TO BE CONSIDERED

1. Subject: Article XV And Article XV-A Service Retirement Plan Funding

Recommendation: That the Finance Committee:

- A. Hear a report from staff regarding the funding status of the City's Article XV and Article XV-A Service and Disability Retirement Plans established in 1927 and 1937, respectively, for police and fire employees; and
- B. Forward to City Council a recommendation to shift funds accumulated for injured fire and police personnel from the Self-Insurance Trust Fund to the City's Article XV and XV-A Pension Plans to partially offset the unfunded accrued pension liabilities as of June 30, 2009.

2. Subject: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2011

Recommendation: That Finance Committee recommend that Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 09-063; and
- B. Authorize the City Administrator/City Clerk/City Treasurer to invest or reinvest funds, or to sell or exchange securities so purchased for the City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara for Fiscal Year 2011.

(See Council/Redevelopment Agency Agenda Item No. 3)



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Finance Committee

FROM: Administration Division, Finance Department

SUBJECT: Article XV And Article XV-A Service Retirement Plan Funding

RECOMMENDATION: That the Finance Committee:

- A. Hear a report from staff regarding the funding status of the City's Article XV and Article XV-A Service and Disability Retirement Plans established in 1927 and 1937, respectively, for police and fire employees; and
- B. Forward to City Council a recommendation to shift funds accumulated for injured fire and police personnel from the Self-Insurance Trust Fund to the City's Article XV and XV-A Pension Plans to partially offset the unfunded accrued pension liabilities as of June 30, 2009.

DISCUSSION:

The City currently administers three defined benefit pension plans created for police and fire personnel pursuant to Article XV of the 1927 City Charter. The plans were later modified under Article XV-A of the 1937 City Charter. All of these plans were created prior to the City's initial enrollment in the CalPERS retirement system and are "closed" plans, which means no new members have been added since the City switched to CalPERS.

The Article XV plan originally covered eight employees. There is currently only one surviving member. Article XV-A covers two groups of pensioners: the Service Retirement Plan, which currently has eight surviving pensioners, and the Service Death and Disability Plan, which currently has nine surviving pensioners.

Article XV-A Plan Details

The Article XV-A Plan is governed by a Board of Fire and Police Commissioners appointed by City Council. The Board meets quarterly primarily to discuss the funding status and investment results.

When the pension was first created, a retirement trust fund was created into which contributions from both covered employees while employed with the City and the City's General Fund were paid based on periodic actuarial valuations performed by consultants. Once all employees retired, the only source of additional funds have come from earnings

on the plan assets and any contributions the City's General Fund may have made since then.

Because City records are not available prior to 1992, there is no way to determine what contributions have been made by the General Fund before that date. Since that date, it does not appear that the General Fund made any contributions to the plan. Although records are not available, it appears the plan may have been fully funded as recently as 1992, which would have been based on an actuarial valuation done at that time. The valuation would have included assumptions as to the expected numbers of years the pensioners would receive benefit and expected return on invested plan assets.

Several years ago it became apparent that the plan was under funded based on a more recent actuarial valuation completed as of June 30, 2005. The change in funding status over the last 15-20 years is presumably due to pensioners living longer than originally projected and possibly lower than expected returns on plan assets.

At that time, the Fire and Police Pension Commission requested staff to develop a plan for addressing the unfunded liabilities. Since there were sufficient funds to cover the required pension payments for several years, staff decided to monitor the plan for a few years to see if any actuarial gains could assist in reducing the unfunded liability. However, based on the most recently completed actuarial valuation, the unfunded liability has now grown to approximately \$495,000 - the difference between plan assets of \$320,000 and projected pension payments totaling \$815,000 as of June 30, 2009.

As of May 1, 2010, the retirement fund's assets are down to approximately \$208,000, which is sufficient only to pay the benefits for less than two years. If and when the plan assets are fully consumed, the City will be obligated to continue making the monthly pension payments out of the General Fund.

The Article XV and Article XV-A Service Death and Disability Plans

These two plans are funded solely from the General Fund. The Fire and Police Pension Commission does not govern these two plans and no retirement trust fund has been created. The activities of the plan are accounted for in the City's general ledger.

As with the Article XV-A Service Retirement Plan, many years ago these two plans were likely fully funded based on an actuarial performed at that time. However, since then, the combination of pension payments, asset performance and retirees living longer than expected has created an unfunded liability of \$1.1 million as of June 30, 2009.

The City has and will continue to fund the pension payments on a "pay as you go" basis; however, the City's General Fund will eventually have to identify funds to cover whatever remaining deficit is left in the fund.

Recommended Funding Strategy

Every two years, the City hires a consultant to complete an actuarial valuation of the City's workers' compensation and general liability programs to calculate the accrued liabilities attributable to the City's self-insured retention levels. The accrued liabilities are based on a number of factors, such as total payroll costs, the size of the organization, the services provided, open claims and the City's loss experience over the last five years.

The City recognizes those liabilities in the Self-Insurance Trust Fund. The actuarial valuation also includes recommended annual premiums chargeable to City funds and departments to fund the estimated accrued liabilities, similar to an insurance company.

Staff recently discovered that the actuarial valuation included in its calculations the liability associated with payments made to safety personnel pursuant to California State Labor Code Section 4850, which provides compensation equal to 100% of the injured employee's salary for up to a year. Because these payments are paid out of the police and fire departments' budget, rather than out of the Self-Insurance Fund, neither the liability nor the accumulated assets to cover the liability belong in the Self-Insurance Fund. As of June 30, 2009, the Self-Insurance Fund had \$717,988 in funds for "4850 benefits."

Staff recommends that these funds be used to: (1) fully fund the unfunded liability in the Article XV-A Service Retirement Pension Plan as of June 30, 2009 totaling \$493,626; and (2) partially fund the Article XV Service Retirement and Article XV-A Death and Disability Retirement Pension Plan from the balance of \$224,362.

Because each year the actual results of the pension will vary from the actuarial assumptions relating to return on assets and mortality rates, it is possible that the City may need to contribute additional funds to the plan in the future; however, it will take at least five years before any additional funds would be needed. In contrast, it is also possible that the plan will be left with a surplus once all surviving pensioners pass. In this case, any remaining assets would be returned to the City's General Fund.

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Employee Recognition – Service Award Pins

RECOMMENDATION:

That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through July 31, 2010.

DISCUSSION:

Since 1980, the City Employees' Recognition Program has recognized length of City Service. Service award pins are presented to employees for every five years of service. Those employees achieving 25 years of service or more are eligible to receive their pins in front of the City Council.

Attached is a list of those employees who will be awarded pins for their service through July 31, 2010.

ATTACHMENT: July 2010 Service Awards

SUBMITTED BY: Marcelo A. López, Assistant City Administrator

APPROVED BY: City Administrator's Office

JULY 2010 SERVICE AWARDS

July 13, 2010 Council Meeting

5 YEARS

Julie Ruggieri, Litigation Paralegal, City Attorney
Brigid Rice, Public Safety Dispatcher, Police
Christine Venable, Public Safety Dispatcher, Police
Raymond Lopez, Water Distribution Operator II, Public Works

10 YEARS

Rashun Drayton, Police Officer, Police
David Anduri, Police Officer, Police
Lisa Hammerly, Parking Enforcement Officer, Police
John Rosseau, Traffic Technician II, Public Works
Stephen Sisler, Traffic Technician II, Public Works
Alicia Quinonez – Fisher, Accounting Assistant, Public Works
Cathy Carpenter, Tennis Services Coordinator, Parks and Recreation

15 YEARS

Marck Aguilar, Redevelopment Supervisor, Community Development
Dan Tagles, Police Officer, Police
Aaron Baker, Police Sergeant, Police
Mark Hunt, Police Officer, Police

20 YEARS

Mark Johnson, Meter Reader, Finance
Donis Montoya, Administrative Specialist, Public Works
Barbara Reed, Library Assistant II, Library

25 YEARS

Armando Martel, Police Captain, Police
Mary Barry, Office Specialist II, Parks and Recreation



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING June 8, 2010 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the joint meeting of the Council and Redevelopment Agency to order at 2:02 p.m. (The Ordinance Committee met at 12:30 p.m. The Finance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco, Frank Hotchkiss, Grant House (2:02 p.m.), Michael Self, Bendy White, Mayor Schneider.

Councilmembers absent: Das Williams.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, City Clerk Services Manager Cynthia M. Rodriguez.

CEREMONIAL ITEMS

1. Subject: Employee Recognition - Service Award Pins (410.01)

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through June 30, 2010.

Documents:

June 8, 2010, report from the Assistant City Administrator/Administrative Services Director.

Speakers:

Staff: Award recipient Don Irelan, City Administrator James L. Armstrong.

(Cont'd)

1. (Cont'd)

By consensus, the Council approved the recommendation. The following employees were recognized:

5-Year Pin

Linda Sumansky, Supervising Engineer, Public Works
Brian Reed, Airport Maintenance Worker II, Airport

10-Year Pin

Randy Fritz, Street Tree Supervisor, Parks and Recreation

20-Year Pin

Jesse Oliver, Police Records Specialist, Police
Todd Heldoorn, Wastewater Treatment Superintendent, Public Works
Donald Dwyer, Maintenance Supervisor II, Waterfront

30-Year Pin

Jose Calvillo, Maintenance Worker II, Public Works
Don Ireland, Senior Real Property Agent, Public Works

PUBLIC COMMENT

Speakers: Bix Buckley; Gert Walter; Patricia Bartoli-Wible, Southern California Edison; Janet Rowse.

CONSENT CALENDAR (Item Nos. 2 – 10)

The titles of the resolutions related to the Consent Calendar were read.

Motion:

Councilmembers House/Francisco to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Councilmember Williams).

CITY COUNCIL

2. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the adjourned regular meeting of May 10, 2010, and the special meetings of May 12 and May 13, 2010.

Action: Approved the recommendation.

3. Subject: Records Destruction For Administrative Services Department (160.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Administrative Services Department in the City Clerk's Office and Human Resources Division.

Action: Approved the recommendation; Resolution No. 10-033 (June 8, 2010, report from the Assistant City Administrator/Administrative Services Director; proposed resolution).

4. Subject: Restated And Amended Cooperation Agreement With The City Housing Authority (660.03)

Recommendation: That Council hold a noticed public hearing and adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Restated and Amended Cooperation Agreement Between the City and the Housing Authority of the City of Santa Barbara Concerning the Housing Authority's Payment to the City's General Fund of "Payment In Lieu of Taxes" from Certain Housing Authority Rental Projects, and Authorizing the Mayor to Execute Such Agreement.

Action: Approved the recommendation; Resolution No. 10-034; Agreement No. 23,436 (June 8, 2010, report from the Assistant City Administrator/Community Development Director; proposed resolution; Affidavit of Publication).

5. Subject: Contract For Maintenance Program And Inventory Management Process At El Estero Wastewater Treatment Plant (540.13)

Recommendation: That Council authorize the Public Works Director to execute a contract with Linjer, Incorporated (Linjer), in the amount of \$142,000 for the continuation of Phase 3 Maintenance and Inventory Management Process at the El Estero Wastewater Treatment Plant (El Estero); and authorize the Public Works Director to approve expenditures of up to \$14,200 for extra services of Linjer that may result from necessary changes in the scope of work.

Action: Approved the recommendation; Contract No. 23,437 (June 8, 2010, report from the Public Works Director).

6. Subject: Transfer Of Two 15-Passenger Vans To Police Activities League (520.04)

Recommendation: That Council authorize the Parks and Recreation Director and Chief of Police to transfer ownership, insurance, and maintenance responsibilities of two, 15-passenger vans to the Police Activities League (PAL) effective July 1, 2010.

Action: Approved the recommendation (June 8, 2010, report from the Parks and Recreation Director and Chief of Police).

7. Subject: Set A Date For Public Hearing Regarding Appeals Of Parks And Recreation Commission Decision For West Beach Music And Arts Festival

Recommendation: That Council set the date of June 29, 2010, at 4:00 p.m. for hearing the appeals filed by Antonio Romasanta, owner of the Harbor View Inn, and Hilary Kleger, of the Parks and Recreation Commission decision to approve a park permit for the West Beach Music and Arts Festival to be held September 24 - 26, 2010.

Action: Approved the recommendation (June 1, and May 28, 2010, letters of appeal).

REDEVELOPMENT AGENCY

8. Subject: Adoption Of Resolution To Authorize Use Of Redevelopment Agency Tax Increment Funds For Police Station Renovation Project And Approval Of Contract For Professional Services (700.08)

Recommendation:

- A. That the City Council hold a public hearing and adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving and Adopting the Findings Required by Health and Safety Code Section 33445.1 for Redevelopment Agency Funding of Capital Improvements for the Police Station Renovation Project Located Outside and Not Contiguous to the Central City Redevelopment Project Area, and Authorizing Certain Other Actions; and
- B. That the Redevelopment Agency Board authorize the expenditure of \$151,246 for seismic and structural analysis of the Police Station by Coffman Engineers, building assessment services by Paul Poirier and Associates Architects, and related project management services by Public Works Department staff.

(Cont'd)

8. (Cont'd)

Action: Approved the recommendations; Resolution No. 10-035; Contract No. 23,438 (June 8, 2010, joint report from the Assistant City Administrator/Community Development Director/Deputy Director, Police Chief and Public Works Director; proposed resolution; Affidavit of Publication; May 26, 2010, Summary Report pursuant to Section 33679 of the Health and Safety Code on funding for the Police Station Renovation).

NOTICES

9. The City Clerk has on Thursday, June 3, 2010, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
10. The City Council public hearing scheduled for June 8, 2010, at 2:00 p.m. to consider the introduction of an ordinance that would revise the Medical Marijuana Storefront Collective Dispensary Ordinance has been rescheduled to June 15, 2010, at 2:00 p.m.

This concluded the Consent Calendar.

REPORT FROM THE ORDINANCE COMMITTEE

Ordinance Committee Chair Bendy White reported that the Committee met to discuss Municipal Code Title 17 amendments, which will be presented to the Council in the near future.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Mayor Schneider stated that she wanted to thank the County Board of Supervisors for allocating \$40,000 of Coastal Resource Enhancement Funds to the Shoreline Park Improvement Project.
- Councilmember House reported that last week the Community Action Commission approved the acceptance of \$10.6 million of federal funds, to support the Head Start Program over the next few years.

RECESS

Mayor Schneider recessed the meeting at 2:21 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 12 and stated that no reportable action is anticipated.

CLOSED SESSIONS

12. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, the Police Managers Association, the General Bargaining Unit, the Treatment and Patrol Bargaining Units, the Firefighters Association, and the Hourly Bargaining Unit, and regarding discussions with unrepresented management and confidential employees about salaries and fringe benefits.

Scheduling: Duration, 30 minutes; anytime Report: None anticipated

Documents:

June 8, 2010, report from the Assistant City Administrator/Administrative Services Director.

Time:

2:21 p.m. - 3:04 p.m. Councilmember Williams was absent.

No report made.

RECESS

3:04 p.m. - 4:00 p.m. Councilmember Williams was absent when the Council reconvened.

MAYOR AND COUNCIL REPORTS

11. Subject: Interviews For City Advisory Groups (140.05)

Recommendation: That Council:

- A. Hold interviews of applicants to various City Advisory Groups;
- B. Continue interviews of applicants to June 8, 2010; and
- C. Continue interviews of applicants to June 15, 2010.

(Estimated Time: 4:00 p.m.)

(Continued from May 25, 2010, Item No. 15)

Documents:

May 25, 2010, report from the Assistant City Administrator/Administrative Services Director.

(Cont'd)

11. (Cont'd)

Speakers:

The following applicants were interviewed:

Single Family Design Board:

Brian Miller

James Zimmerman

Architectural Board of Review:

Chris Gilliland

Housing Authority:

Mary Johnston-de Leon

ADJOURNMENT

Mayor Schneider adjourned the meeting at 4:16 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____	ATTEST: _____
HELENE SCHNEIDER	CYNTHIA M. RODRIGUEZ, CMC
MAYOR	CITY CLERK SERVICES MANAGER



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

SPECIAL MEETING June 14, 2010 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:02 p.m.

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco, Frank Hotchkiss, Grant House, Michael Self, Bendy White, Das Williams, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Susan Tschech.

PUBLIC COMMENT

No one wished to speak.

NOTICES

The City Clerk has on Thursday, June 10, 2010, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

Subject: Fiscal Year 2011 Recommended Operating And Capital Budget (230.05)

Recommendation: That Council:

- A. Hear a report from staff on the results of the Finance Committee's review of various elements of the Fiscal Year 2011 Recommended Budget, including their recommendations;
- B. Consider and approve adjustments to the proposed Fiscal Year 2011 Golf budget and green fees;
- C. Consider and approve adjustments to the Fiscal Year 2011 Recommended Budget contained in the Summary of Proposed Adjustments based on new information and/or changes to circumstances since the filing of the budget on April 20, 2010; and
- D. Provide staff with direction toward adopting the Fiscal Year 2011 budget on June 29, 2010.

Documents:

- June 14, 2010, report from the Interim Finance Director.
- PowerPoint presentation prepared and made by Staff.
- Balancing Spreadsheet used to make adjustments to the Fiscal Year 2011 Recommended Budget.
- June 14, 2010, letter from Ken and Laurella Meyer.

Public Comment Opened:
2:04 p.m.

Speakers:

- Staff: Interim Finance Director Robert Samario, Parks and Recreation Director Nancy Rapp, Employee Relations Manager Kristine Schmidt, City Administrator James Armstrong, Public Works Director Christine Andersen, Treasury Manager Jill Taura, Police Chief Camarino Sanchez, Deputy Police Chief Frank Mannix, Fire Chief Andy DiMizio, Library Director Irene Macias.
- Members of the Public: Keri Stolstead, Douglas Caines, William Smithers, and Hailey Sestak, Santa Barbara Channels; Joe Saxon; David Pritchett; Silvia Rodriguez, Santa Barbara Channels; Bob Lovgrew; Peter McCorkle; Carlos Malpica, Santa Barbara Channels; James Sternot; Charles Bootjer, Santa Barbara Channels; Cheryl Kelmar.

Public Comment Closed:
3:12 p.m.

(Cont'd)

Subject: Fiscal Year 2011 Recommended Operating And Capital Budget (Cont'd)

Discussion:

Staff presented several proposed changes to the Fiscal Year 2011 Recommended Budget, including those resulting from an analysis of golf green fees. Also presented were recommendations from the Finance Committee pursuant to the Committee's detailed review of certain budget elements. Based on additional information from Staff regarding labor concessions reached, pending, and expected, the Council arrived at a consensus to make further adjustments to the budget to restore certain services and employee positions.

Motion:

Councilmembers Williams/House to approve the restoration of services and positions as shown on the revised balancing spreadsheet, contingent upon successful negotiations for labor concessions.

Vote:

Unanimous voice vote.

By consensus, the special meeting scheduled for June 16, 2010, at 2:00 p.m. to continue budget deliberations was cancelled.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 4:44 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST: _____
SUSAN TSCHECH, CMC
DEPUTY CITY CLERK



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING June 15, 2010 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:02 p.m. (The Finance Committee met at 12:30 p.m. The Ordinance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco, Frank Hotchkiss, Grant House (2:05 p.m.), Michael Self, Bendy White, Das Williams, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Brenda Alcazar.

PUBLIC COMMENT

Speakers: Bix Buckley, Robert Burke, Nikolai Lambert, Ruth Wilson, Steve Fort, Scott.

CONSENT CALENDAR (Item Nos. 1 - 3, and 5 - 15)

The titles of the resolution and ordinances related to the Consent Calendar were read.

Motion:

Councilmembers Francisco/Williams to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote.

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the special meeting of May 10, 2010, the regular meeting of May 11, 2010, the adjourned regular meeting of May 17, 2010, the regular meetings of May 18 and May 25, 2010, the special meeting of May 27, 2010, the regular meeting of June 1, 2010 (cancelled), and the special meeting of June 3, 2010.

Action: Approved the recommendation.

2. Subject: Cachuma Conservation Release Board Budget Ratification (540.03)

Recommendation: That Council ratify the Fiscal Year 2011 Cachuma Conservation Release Board Budget in the amount of \$1,615,749, with an estimated City of Santa Barbara share of \$400,138.

Speakers:

Staff: Water Resources Supervisor Bill Ferguson.

Action: Approved the recommendation (June 15, 2010, report from the Public Works Director).

3. Subject: Acceptance Of A Street Easement At 931 Anacapa Street (330.03)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting an Easement for Public Street Purposes on a Portion of the Real Property Commonly Known as 931 Anacapa Street, Santa Barbara County Assessor's Parcel Number 039-322-047.

Action: Approved the recommendation; Resolution No. 10-036 (June 15, 2010, report from the Public Works Director; proposed resolution).

5. Subject: Introduction Of Ordinances For Agreements For Airport Food And Beverage And Retail Concessions (330.04)

Recommendation: That Council:

- A. Authorize the Airport Director to execute, subject to approval as to form by the City Attorney, a ten-year concession agreement, and introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Ten-Year Concession Agreement with First Class Concessions, Inc., for Operation of a Food and Beverage Concession at the Airport; and

(Cont'd)

5. (Cont'd)

- B. Authorize the Airport Director to execute, subject to approval as to form by the City Attorney, a ten-year concession agreement, and introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Ten-Year Concession Agreement with M/E, Inc., for Operation of a Retail News and Gift Concession at the Airport.

Speakers:

Staff: Airport Director Karen Ramsdell.

Action: Approved the recommendations (June 15, 2010, report from the Airport Director; proposed ordinances).

6. Subject: Introduction Of Ordinance For A 25-Year Lease With The Santa Barbara Yacht Club (330.04)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a 25-Year Lease With the Santa Barbara Yacht Club on Premises Located Within the Santa Barbara Harbor, Effective July 22, 2010.

Action: Approved the recommendation (June 15, 2010, report from the Waterfront Director; proposed ordinance).

7. Subject: One-Year Lease Agreement With Marine Surveyor Mike Pyzel (330.04)

Recommendation: That Council approve a one-year lease agreement with a one-year option with Mike Pyzel, at a monthly rent of \$408.65 or six percent of gross sales, whichever is greater, for a marine surveyor's office at 125 Harbor Way, Suite 23.

Action: Approved the recommendation; Agreement No. 23,439 (June 15, 2010, report from the Waterfront Director).

8. Subject: Purchase Order For UCP/Work, Incorporated (570.03)

Recommendation: That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.080 (k), and authorize the General Services Manager to issue a purchase order to UCP/Work, Incorporated, for janitorial services at the Waterfront Department for Fiscal Year 2011 in an amount not to exceed \$220,000.

Action: Approved the recommendation (June 15, 2010, report from the Waterfront Director).

9. Subject: Five-Year Co-Sponsorship Agreement With Outdoors Santa Barbara Visitor Center (570.03)

Recommendation: That Council approve a five-year Co-Sponsorship Agreement with the National Oceanic and Atmospheric Administration, the National Park Service, and the Santa Barbara Maritime Museum, for the continued operation of the Outdoors Santa Barbara Visitor Center located on the fourth floor of the Waterfront Center Building.

Action: Approved the recommendation; Agreement No. 23,440 (June 15, 2010, report from the Waterfront Director).

10. Subject: Approval Of Map And Execution Of Agreements For 319 N. Milpas Street (640.08)

Recommendation: That Council approve and authorize the City Administrator to execute and record Parcel Map No. 20,773 for a subdivision at 319 N. Milpas Street, (finding the Parcel Map in conformance with the State Subdivision Map Act, the City's Subdivision Ordinance, and the Tentative Subdivision Map), and other standard agreements relating to the approved subdivision.

Action: Approved the recommendation; Agreement Nos. 23,441 and 23,442 (June 15, 2010, report from the Public Works Director).

11. Subject: Contract For Construction For The Mission Creek Restoration And Fish Passage Project At Tallant Road (530.03)

Recommendation: That Council:

- A. Award a contract with Shaw Contracting, Inc. (Shaw), in their low bid amount of \$576,706, for construction of the Mission Creek Restoration and Fish Passage Project at Tallant Road (Project), Bid No. 3580;
- B. Authorize the Public Works Director to execute a contract and approve expenditures up to \$57,670 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment; and
- C. Authorize the Public Works Director to execute a contract with Questa Engineering Corporation (Questa), in the amount of \$48,670, for construction support services, and approve expenditures of up to \$4,867 for extra services of Questa that may result from necessary changes in the scope of work.

Action: Approved the recommendations; Contract Nos. 23,443 and 23,444 (June 15, 2010, joint report from the Public Works Director and the Parks and Recreation Director).

12. Subject: Change Order For Grant-Funded Airport Noise Monitoring And Flight Tracking System (560.14)

Recommendation: That Council authorize the General Services Manager to increase the purchase order authority with ERA Corporation by \$211,921 to \$411,284 to upgrade the Airport Noise Monitoring and Flight Tracking System.

Action: Approved the recommendation (June 15, 2010, report from the Airport Director).

13. Subject: Set A Date For Public Hearing Regarding Appeal Of Architectural Board Of Review Approval For BevMo! Project, 3052 State Street (640.07)

Recommendation: That Council:

- A. Set the date of July 27, 2010, at 2:00 p.m. for hearing the appeal filed by Marc Chytilo, Agent for Breathe Easy Santa Barbara, of the Architectural Board of Review Final Approval of an application for property owned by Timothy and Claudia Garrett and located at 3052 State Street, Assessor's Parcel No. 053-342-033, C-2/SD-2 Commercial/Special District Zone, General Plan Designation: General Commerce. The project proposes an exterior facade remodel, demolition of a detached 1,500 square-foot warehouse building to expand parking, and the partial demolition of an existing 10,757 square-foot commercial building, to result in an 8,991 square-foot commercial building. The project includes site alterations to parking and landscaping; and
- B. Set the date of July 26, 2010, at 1:30 p.m. for a site visit to the property located at 3052 State Street.

Action: Approved the recommendations (May 26, 2010, letter of appeal).

NOTICES

- 14. The City Clerk has on Thursday, June 10, 2010, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
- 15. Received a memorandum advising of a vacancy created on the Lower Westside Center Advisory Committee with the departure of Member Teresa Wentz; the vacancy will be part of the next City Advisory Group recruitment.

This concluded the Consent Calendar.

ITEM REMOVED FROM CONSENT CALENDAR

4. Subject: Introduction Of Medical Marijuana Storefront Collective Dispensary Ordinance (520.04)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Municipal Code by Revising Chapter 28.80 and Establishing Revised Regulations and Procedures for Medical Marijuana Storefront Collective Dispensaries.

Documents:

- June 15, 2010, report from the Assistant City Administrator/Community Development Director.
- Proposed Ordinance.
- Affidavit of Publication.
- June 15, 2010, PowerPoint presentation prepared and made by Staff.
- June 6, 2010, and June 9, 2010, email communications from Britta Bartels.
- June 10, 2010, email communication from Bonnie Raisin.
- June 11, 2010, email communications from John Donohue and Rick Lee.
- June 12, 2010, email communication from Janet Rowse.
- June 14, 2010, email communication from Tom Thomas.
- June 14, 2010, letter from Derek A. Westen.
- June 15, 2010, email communication from Geoff Roland.
- June 15, 2010, document entitled "Monitoring the Future, National Results on Adolescent Drug Use," submitted by Eugene "Chico" Wirkus.
- June 15, 2010, photocopy of page 289 from the book entitled "Every Vote Equal," submitted by Geof Bard.

The title of the ordinance was read.

Public Comment Opened:
2:24 p.m.

Speakers:

- Members of the Public: Tom Thomas, Fighting Back; Lucas Travanti; Paul W. Marceau; Shereen Khatapoufh, Council on Alcoholism & Drug Abuse (CADA); Jamison Merrick; Hathor Hammett; Charles McChesney, Santa Barbara Police Officers Association; Jen Lemberger, Fighting Back; Naoimi Green; Daniel Price; Vicky Quinn; Nelson; Beverly Brott, MD; Derek Westen; Patrick Fourmy; Eduardo Cué, CADA; Andrea Roselinsky; Penny Jenkins, Fighting Back; Mary Ann Neilsen; Tony Vassallo; Denice Fellows; Wendy Westley; Mari Mender; Janet Rowse; David Hughes; Eugene "Chico" Wirkus; Rosanne Crawford; Maryann Cassidy; Scott; Geof Bard.

(Cont'd)

4. (Cont'd)

Speakers (Cont'd):

- Staff: Senior Planner Danny Kato, City Attorney Stephen Wiley, Police Captain Armando Martel, City Administrator James Armstrong.

Public Comment Closed:

3:29 p.m.

Motion:

Mayor Schneider/Councilmember Williams to direct the City Attorney to come back next week with the language for two mutually exclusive ballot measures to be placed on the November 2010 ballot, as follows: 1) the ordinance to revise Municipal Code Chapter 28.80 that was presented to Council on May 18, 2010; and 2) a ban on medical marijuana dispensaries.

Substitute Motion:

Councilmembers White/Francisco to continue this item for one week and direct the City Attorney to return with the ordinance for introduction presented today, with the following amendments: 1) reduce the maximum number of medical marijuana dispensaries from 5 to 3; and 2) amortization of the legal nonconforming dispensaries within 6 months.

Vote on Substitute Motion:

Majority voice vote (Noes: Councilmember House).

Motion:

Councilmembers Francisco/Williams to direct the City Attorney to draft language for a ballot measure for the November election that would disallow medical marijuana dispensaries in the City of Santa Barbara.

Vote:

Majority voice vote (Noes: Councilmember House).

RECESS

5:13 p.m. - 5:24 p.m. Councilmembers House, Self and Williams were absent when the Council reconvened.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee member Dale Francisco reported that the Committee met to discuss a loan to the Housing Authority for its Bradley Studios project, and a grant of \$200,000 to the Housing Authority for a rental assistance program for homeless people. The Committee voted to forward recommendations to the City Council and Redevelopment Agency Board to approve both of these items.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS DEPARTMENT

16. Subject: Public Hearing Regarding Proposed Utility Rate Increases (230.05)

Recommendation: That Council:

- A. Hold a Public Hearing, as required by State law, regarding proposed utility rate increases for water, wastewater, and solid waste collection services for Fiscal Year 2011; and
- B. Provide direction to staff regarding any changes to proposed Fiscal Year 2011 utility rates.

Documents:

- June 15, 2010, joint report from the Public Works Director and the Interim Finance Director.
- June 15, 2010, PowerPoint presentation prepared and made by Staff.
- April 14, 2010, letter from Louis Wooldridge.
- April 19, 2010, letter from David DeLisle.
- April 20, 2010, letter from Michael R. Thompson.
- April 21, 2010, letters from Christine Vanderbilt and George Larson.
- May 5, 2010, letter from Cathy Garcia.
- June 14, 2010, letter from Steven M. Little.

Public Comment Opened:
5:24 p.m.

Councilmembers House and Self returned to the meeting at 5:26 p.m. Councilmember Williams returned to the meeting at 5:30 p.m.

Speakers:

- Staff: Water Resources Supervisor Bill Ferguson, Water System Manager Cathy Taylor, City Administrator James Armstrong, Wastewater System Manager Chris Toth, Interim Finance Director Robert Samario, Public Works Director Christine Andersen.
- Member of the Public: Steven Little, President of the Westwood Hills Avocado Alliance; Phil Walker; Geof Bard.

Public Comment Closed:
6:14 p.m.

(Cont'd)

16. (Cont'd)

Motion:

Councilmembers Williams/Francisco to approve the staff-recommended wastewater rate increase, 90-day suspension of the sewer lateral program, and \$2,000,000 allocation towards the unfunded sewer main projects.

Vote:

Unanimous voice vote.

Motion:

Councilmember Williams/Mayor Schneider to approve the Finance Committee recommendation of a 2.5% water rate increase, and to freeze the agriculture water rate.

Amendment Motion:

Councilmember Williams/Mayor Schneider to approve a 3% water rate increase, and to freeze the agriculture water rate.

Vote on Amendment Motion:

Majority voice vote (Noes: Councilmembers House, Self, White).

COMMUNITY DEVELOPMENT DEPARTMENT

17. Subject: Introduction Of Ordinance Amendments Related To Construction Prohibited In The Vicinity Of The Conejo Landslide (640.04)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the City Council of the City of Santa Barbara Amending Title 22 of the Santa Barbara Municipal Code in Order to Amend Chapter 22.90 Pertaining to the Extent of the Revised Slide Mass C Area Covered by the City's 1997 Conejo Slide Area Ordinance in Order to Reduce the Area of Slide Mass C in Accordance with New Geological Information and to Allow Certain Limited New Non-Habitable Improvements and Historic Resources to be Built Under Certain Circumstances.

Documents:

- June 15, 2010, report from the Assistant City Administrator/Community Development Director.
- Proposed Ordinance.
- Affidavit of Publication.
- June 11, 2010, letter from Linda Dye.

The title of the ordinance was read.

(Cont'd)

17. (Cont'd)

Public Comment Opened:
6:44 p.m.

Speakers:

- Staff: Chief Building Official George Estrella, City Attorney Stephen Wiley.
- Members of the Public: Roy Harthorn; Linda Dye; Blanche Tobin; Lori Bonneau; Martin Lieurance, Grover-Hollingsworth & Associates; Ruben Barajas.

Public Comment Closed:
6:56 p.m.

Motion:

Councilmembers House/Williams to introduce the ordinance with an amendment to Section 4, Municipal Code Section 22.70.070.B.3, to allow a one-time 150 square-foot maximum addition, subject to review and approval by the Historic Landmarks Commission.

Vote:

Majority voice vote (Noes: Councilmembers Francisco, Self).

Councilmember Williams left the meeting at 7:14 p.m.

MAYOR AND COUNCIL REPORTS

20. Subject: Interviews For City Advisory Groups (140.05)

Recommendation: That Council:

- A. Hold interviews of applicants to various City Advisory Groups;
- B. Continue interviews of applicants to June 8, 2010; and
- C. Continue interviews of applicants to June 15, 2010.

(Continued from June 8, 2010, Item No. 11)

Councilmember Self left the meeting at 7:15 p.m.

Documents:

June 15, 2010, report from the Assistant City Administrator/Administrative Services Director.

(Cont'd)

20. (Cont'd)

Speakers:

The following applicants were interviewed:

Library Board:

Diane Duva

Christine Forte

Single Family Design Board:

Roderick Britton

Harbor Commission:

Cory Bantilan

CHANGES TO THE AGENDA

Item Removed from Agenda

Mayor Schneider stated that the following item was being removed from the Agenda and will be brought back at a future date.

18. Subject: Conference With Real Property Negotiator (330.03)

Recommendation: That Council:

- A. Hold a closed session to consider instructions to its negotiators regarding a possible long-term lease of City-owned property consisting of a fifteen-acre parcel of real property located at 6100 Hollister Avenue at the Airport, bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map [City Parcel Map No. 20,608] in the City of Santa Barbara). Instructions to negotiators will direct staff regarding the price and terms of payment of a possible lease of the City-owned property with Target Corporation, a Minnesota corporation. Negotiations are held pursuant to the authority of Section 54956.8 of the California Government Code. City Negotiators are: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Sarah Knecht, Assistant City Attorney. Negotiator for the potential lessee is Dietrich Haar, Real Estate Manager; and

(Cont'd)

18. (Cont'd)

- B. Hold a closed session to consider instructions to its negotiators regarding a possible long-term lease, purchase or exchange of City-owned property consisting of a fifteen-acre parcel of real property located at 6100 Hollister Avenue at the Airport, bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map [City Parcel Map No. 20,608] in the City of Santa Barbara). Instructions to negotiators will direct staff regarding the price and terms of payment of a possible lease, purchase or exchange of the City-owned property located at 6100 Hollister Avenue with the California Army National Guard for the National Guard Armory property located at 730 E. Canon Perdido (APN 031-041-001) in the City of Santa Barbara. Negotiations are held pursuant to the authority of Section 54956.8 of the California Government Code. City Negotiators are: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Stephen P. Wiley, City Attorney. Negotiator for the potential lessee, seller or exchange is Colonel Michael L. Herman. Under negotiation: Price and terms of payment of a possible ground lease, purchase or exchange.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

RECESS

Mayor Schneider recessed the meeting at 7:24 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 19, and stated that no reportable action is anticipated.

CLOSED SESSIONS

19. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6 to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, Police Managers Association, General Bargaining Unit, the Treatment and Patrol Bargaining Units, Firefighters Association, and the Hourly Bargaining Unit, and regarding discussions with unrepresented management and confidential employees about salaries and fringe benefits.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

(Cont'd)

19. (Cont'd)

Documents:

June 15, 2010, report from the Assistant City Administrator/Administrative Services Director.

Time:

7:26 p.m. - 7:44 p.m. Councilmembers Self and Williams were absent.

No report made.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 7:44 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____	ATTEST: _____
HELENE SCHNEIDER	BRENDA ALCAZAR, CMC
MAYOR	DEPUTY CITY CLERK



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2011

RECOMMENDATION: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 09-063; and
- B. Authorize the City Administrator/City Clerk/City Treasurer to invest or reinvest funds, or to sell or exchange securities so purchased for the City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara for Fiscal Year 2011.

DISCUSSION:

The Government Code of the State of California does not require local agencies to submit to the State an annual statement of investment policy. The State Code specifies permitted investments for local governments, but the City's Statement of Investment Policy defines the suitable and authorized investments for the City. In some cases, the City's policy is more restrictive than State Code; additionally, the policy serves as a guide for setting and achieving program objectives and defines guidelines for the management of the portfolio. Therefore, staff strongly recommends that Finance Committee review and approve, and Council adopt, the investment policy on an annual basis.

Except for County governments, the State Code does not contain any provisions specifying what must be included in the investment policy of a local agency. The City has developed a comprehensive investment policy that includes all critical components recommended by various professional agencies and organizations, and the policy has been awarded several certifications. Therefore, staff recommends that the policy be updated annually to incorporate any statutory and/or internal policy changes, thereby maintaining this standard of excellence. If a local agency's policy is submitted to the legislative body, it must be an agenda item at a public meeting and should be approved by a vote of the legislative body no later than the end of the first quarter of the year to which it applies.

Staff Recommended Changes

Revisions to the annual investment policy are made each year, as needed, to incorporate policy or statutory changes affecting the City's investment program and daily investing activities. Policy revisions are generally technical in nature, i.e. process changes or language clarifications. Statutory changes are changes in state law affecting allowable investments or procedures related to investing activities. Over the past year, there have been no State statutory changes requiring revisions to the City's policy. The policy as submitted contains no recommended changes from last year. There is sufficiently broad language in the policy to allow for any changes that may occur during the year to be accommodated on an administrative basis rather than a formal revision to the policy.

By separate action, Council formally delegates the authority to invest or reinvest funds or to sell or exchange securities to the City Treasurer for a one-year period, as specified on page 3 of the Investment Policy. Management and oversight of the investment program is delegated to the Finance Director. The Treasury Manager is authorized to conduct daily investment activities under supervision of the Finance Director. All investment purchases and sales require signature approval from the City Administrator, Finance Director or the Assistant Finance Director by the close of business on the next business day following the purchase or sale.

On July 13, 2010, the Finance Committee will review the proposed Investment Policy for Fiscal Year 2011. Since there are no recommended changes to the policy, it is expected that the Committee will recommend that Council adopt the policy as proposed.

ATTACHMENT: Statement of Investment Policy, Fiscal Year 2011

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



**City of Santa Barbara
Finance Department**

Statement of Investment Policy

Fiscal Year 2011

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I. MISSION STATEMENT

It is the policy of the City to invest public funds in a manner that will provide maximum security, adequate liquidity and sufficient yield, while meeting the daily cash flow demands of the City and conforming to all statutes and regulations governing the investment of public funds.

II. SCOPE

This investment policy applies to all the financial assets of City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara. These funds are accounted for in the City's audited Comprehensive Annual Financial Report. If the City invests funds on behalf of another agency and, if that agency does not have its own policy, the City's investment policy shall govern the agency's investments.

A. Pooling of Funds

Except for cash in certain restricted and special funds, the City shall consolidate cash balances from all funds to maximize investment earnings. Investment income shall be allocated to various funds as identified in the investment procedures manual in accordance with generally accepted accounting principles.

B. Funds Included by this Policy

General Fund
Special Revenue Funds
Capital Project Funds
Enterprise Funds
Internal Service Funds
Trust and Agency Funds
Any new fund created by City Council unless specifically exempted

C. Funds Excluded from this Policy

1. City's Service Retirement System Fund. This fund is managed separately under Article XVA of the 1926 Charter.
2. Bond Proceeds. Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and are not governed by this policy. Bond investment conditions and restrictions shall be reviewed by the Finance Committee and forwarded to City Council for approval.

III. GENERAL OBJECTIVES

The primary objectives, in priority order, of the City's investment activities are safety, liquidity and yield.

A. Safety

Preservation of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk. To attain this objective, the City shall diversify its investments by investing funds among several financial institutions and a variety of securities offering independent returns.

1. Credit Risk

The City shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so as to minimize the impact any one industry/investment class can have on the portfolio

2. Interest Rate Risk

To minimize the negative impact of material changes in the market value of securities in the portfolio, the City shall:

- Structure the investment portfolio so that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity
- Invest operating funds primarily in shorter-term securities, money market mutual funds, and the State of California's Local Agency Investment Fund (LAIF)

B. Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated without requiring a sale of securities. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds or LAIF which offer same-day liquidity for short-term funds.

C. Yield (Return on Investment)

The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the liquidity characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. STANDARDS OF CARE

A. Prudence

The standard of prudence to be used by City investment officials shall be the "Prudent Investor Standard" in that a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of an enterprise of a like character and with like aims. This standard shall be applied in the context of managing the overall portfolio. City investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. Ethics and Conflicts of Interest

Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall

further disclose any personal financial/investment positions that could be related to the performance of the City immediately to the City of Santa Barbara Treasurer and annually to the Fair Political Practices Commission. City employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

C. Delegation of Authority

Authority to manage the City's investment program is derived from the Charter of the City of Santa Barbara. City Council shall delegate to the Treasurer, for a one-year period, the authority to invest or to reinvest funds, or to sell or exchange securities. The Treasurer shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

Management responsibility for the investment program is delegated to the Finance Director who shall establish a separate written investment procedures manual. The operation of the investment program shall be consistent with this policy and the investment procedures manual. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Treasury Manager is authorized to conduct investment related activities, under the supervision of the Director of Finance, on behalf of the City and the Redevelopment Agency. All investment purchases and sales require signature approval from the Finance Director or the Assistant Finance Director, by the close of business on the next business day following the purchase or sale.

The following documents are by reference incorporated in the investment procedures manual:

1. Listing of authorized personnel
2. Relevant investment statutes and ordinances
3. Repurchase agreements and tri-party agreements
4. Listing of authorized broker/dealers and financial institutions
5. Credit ratings and/or reports for securities purchased and financial institutions used
6. Safekeeping agreements
7. Sample investment reports
8. Investment accounting documents
9. Methodology for calculating rate of return
10. Banking services contracts
11. Cash flow forecasting
12. Collateral/depository agreements

D. Internal Controls

The Finance Director is responsible for establishing and maintaining a system of written internal controls. These controls shall be reviewed annually with an independent external auditor who will notify the City Council if there is a material non-compliance with its policies and procedures. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by City employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

1. Control of collusion
2. Separation of transaction authority from accounting and record-keeping
3. Custodial safekeeping
4. Delivery versus payment (DVP)
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Wire transfer agreements

V. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Finance Director shall establish selection criteria for pre-approval of financial institutions and security broker/dealers to do business with the City of Santa Barbara. The Finance Director shall maintain a list of City approved financial institutions and security broker/dealers who are authorized to provide investment services to the City. These may include primary dealers, or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration, a financial institution or a security broker/dealer must also have an office in California, and that office must perform the transactions with the City.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following to the Finance Director as appropriate:

- Current audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA), formerly National Association of Security Dealers (NASD), certification
- Trading resolution
- Complete broker/dealer questionnaire
- Proof of State of California registration
- For banking institutions, a statement of compliance with the Federal Reserve Bank of New York's capital guideline
- Statement of having read, understood and agreeing to comply with the City's investment policy and depository contracts

The Finance Director shall annually review each of the approved financial institutions and security broker/dealers selected for current State of California registrations and financial condition.

VI. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which will ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the Finance Director and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require dual authorization. The Treasurer and the Finance Director shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by an independent external auditor and any irregularities noted should be reported promptly to the Treasurer and City Council.

VII. SUITABLE AND AUTHORIZED INVESTMENTS

The City shall be governed by the California Government Code, Sections 53600 et seq. If the Code is amended to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to the changes in the revised Code, provided that the changes are not specifically prohibited by the City's policy. The City shall be required to present those changes in the annual review of the policy and to incorporate the new legislation within the policy. Surplus funds are defined as funds not required for the immediate necessities of the City and include investments in individually managed portfolio(s), money market fund(s) and/or State LAIF, and all portfolio limitations and restrictions shall apply to this aggregate amount. For purposes of compliance with the California Government Code and the City's Investment Policy, the credit rating requirement for medium-term notes, deposit notes, bank notes and commercial paper shall be based on the quality ratings at the time of purchase. If the quality rating of the issuer is downgraded, subsequent to purchase, by any of the Nationally Recognized Statistical-Rating Organizations below "A", or its equivalent, it shall be reported to the Finance Committee and City Council with a recommendation, and ongoing information shall be provided if the bond is not sold. Percentage limitations of surplus funds invested are noted for the various investment instruments. Where there is a specified percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. A later increase or decrease in a percentage resulting from a change in values or assets shall not constitute a violation of that restriction.

The City is empowered by statute to invest in the following types of securities and are those that the investment managers are trained and competent to handle.

A. Investment Types

1. Bonds, notes, or other forms of indebtedness issued by the City, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the local agency.
2. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
3. Federal Agency or United States government-sponsored enterprise obligations (GSE), participations, or other instruments.
4. State of California and Local Agency Obligations. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state; and bonds, notes, warrants, or other evidence of indebtedness of any local agency within this state including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Notes eligible for investment, other than those issued by the City or operated by a department, board, agency, or authority of the local agency, shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.
5. Medium-Term Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases of medium-term notes may not exceed thirty percent of the City's surplus funds. Notes eligible for investment shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating

Organizations. Investments in medium-term notes for any one non-government issuer shall be limited to no more than five percent of surplus funds for issuers rated "AA" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations, and to no more than three percent for issuers rated "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.

6. Bankers Acceptances otherwise known as bills of exchange or time drafts, drawn on and accepted by a commercial bank, which are eligible for purchase by the Federal Reserve System. Purchased bankers acceptances may not exceed one hundred and eighty days maturity or forty percent of the City's surplus funds, and no more than ten percent of the City's surplus funds may be invested in the banker's acceptances of any one commercial bank.
7. Commercial Paper of "prime" quality of the highest ranking or the highest letter and number rating as provided for by a Nationally Recognized Statistical-Rating Organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):
 - a. The entity is organized and operating in the United States as a general corporation and has total assets in excess of five hundred million dollars (\$500,000,000). In addition, its debt other than commercial paper, if any, must be rated "A" or higher by a Nationally Recognized Statistical-Rating Organization.
 - b. The entity is organized within the United States as a special purpose corporation, trust, or limited liability company and has a program wide credit enhancement including, but not limited to, over collateralization, letters of credit, or surety bond. In addition, the entity has commercial paper that is rated "A-1" or higher, or the equivalent, by a Nationally Recognized Statistical-Rating Organization.

Eligible commercial paper shall have a maximum maturity of two hundred and seventy days or less. The City may not invest more than twenty five percent of its surplus funds in commercial paper, and the City may purchase no more than ten percent of the outstanding eligible commercial paper of any single issuer.

8. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or savings association or federal association or a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed fifteen percent of the City's surplus money invested and shall be limited to no more than three percent of any one issuer. Deposit notes and bank notes purchased through a broker or dealer shall be included with negotiable certificates of deposit in calculating allowable maximum percentages. Negotiable certificates of deposit, deposit notes and bank notes shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.
9. Time Deposits. The City may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code. To be eligible to receive City funds, the depository institution shall have received an overall rating of not less than "satisfactory" in its most recent evaluation of its record of meeting the credit needs of California's communities, including low and moderate-income neighborhoods. In selecting depositories, the credit worthiness of institutions shall be considered. Banks and Savings and Loan Associations seeking to establish an investment relationship with the City shall submit an audited financial report that shall be reviewed for compliance with the City's investment standards. Any institution not providing an audited annual financial report shall

be removed from the approved list and all funds maturing will be withdrawn. A list of eligible institutions shall be maintained in the investment procedures manual. Qualification shall be determined by the following criteria:

- a. Tangible capital must equal or exceed one and a half percent; core capital must equal or exceed three percent; and, risk-based capital must equal eight percent of assets adjusted for assigned risk-weightings.
 - b. Return on Assets of a minimum of a half of one percent; a Return on Equity of a minimum of eight percent; an Equity to Assets Ratio of a minimum of five percent; and, City investments shall be no greater than a half of one percent of the total assets of the depository.
 - c. Independent auditor's statement must have a clean opinion.
10. Savings accounts. Savings accounts when used in conjunction with the City's checking accounts at a qualified bank where funds are collateralized in accordance with the California Government Code.
 11. U. S. Government money market funds registered with the Securities and Exchange Commission and which comply with rule 2a7 of the Investment Company Act of 1940. The fund must be comprised of only U.S. Treasury bills, notes and bonds, repurchase agreements and obligations issued or guaranteed as to principal and interest by the U. S. Government or its agencies or instrumentalities. The percentage of repurchase agreements in the fund shall be reviewed and approved based on the fund's policy limits. The dollar weighted average maturity of the portfolio shall be less than ninety days and the portfolio is managed to maintain a one dollar (\$1.00) share price. Also, the fund shall meet either of the following criteria: (a) attained the highest ranking or the highest letter and numerical rating provided by not less than two Nationally Recognized Statistical-Rating Organizations; (b) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). Purchase of securities authorized by this section shall not exceed twenty percent of the City's surplus money invested and no more than ten percent may be invested in any one money market fund.
 12. Repurchase Agreements. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by the Code, so long as the proceeds of the repurchase agreement are invested solely to supplement the income normally received from these securities. The City shall adopt as a standard the Bond Market Association Master Repurchase Agreement and shall maintain a list of approved counterparts and limit counter parties to primary dealers rated "A" or better by two Nationally Recognized Statistical-Rating Organizations. Reverse repurchase agreements and securities lending agreements shall require City Council authorization separate from City Council approval of this policy. Securities lending agreements shall include the following safeguard measures: terms of lending agreements, indemnification provisions, reinvestment guidelines, liquidity provisions, credit risks and monitoring requirements. Additionally, any securities lending agreement shall be reviewed by the City Attorney to ensure the City's interests are properly protected.
 - a. Investments in repurchase agreements may be made, on any authorized investment, when the term of the agreement does not exceed one year.
 - b. Reverse repurchase agreements or securities lending agreements may be utilized when the security to be sold on the reverse repurchase

agreement or securities lending agreement has been owned and fully paid for by the City for a minimum of thirty days prior to sale; the total of all reverse repurchase agreements on investments owned by the City does not exceed twenty percent of the base value of the portfolio; and the agreement does not exceed a term of ninety two days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

13. Local Agency Investment Fund (LAIF). The City may invest in LAIF, established by the California State Treasurer, up to the forty million dollar maximum permitted by State law, effective January 1, 2002; therefore, there is a forty million dollar limit for the City of Santa Barbara and a forty million dollar limit for the City of Santa Barbara Redevelopment Agency. The City's investment in LAIF is based on, among other criteria, the following information provided by LAIF: a written statement of portfolio management goals, objectives and policies, including a description of eligible investment securities; a disclosure of LAIF's safekeeping practices; eligible LAIF participants, the monthly transaction limit, and minimum and maximum deposit and withdrawal amounts permitted; calculation of quarterly earnings and apportionment, including gains and losses; disclosure of administrative costs and the assessment process; monthly statements of the City's transaction activity and balances; monthly summaries of LAIF investment data, including market valuation and accrued interest; and a description of the audit process. At least quarterly, the Finance Director shall report to the Finance Committee on the composition of the LAIF portfolio.

The California Government Code states that moneys placed for deposit in LAIF are in trust in the custody of the State Treasurer and cannot be borrowed or be withheld from the City. Further, the right of the City to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any state official or agency based upon the State's failure to adopt a budget by July 1 of each new fiscal year.

B. Collateralization

Collateralization shall be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit. Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (*safekeeping receipt*) must be supplied to the City and retained. The right of collateral substitution is granted.

1. Certificates of Deposit

- a. Government Securities used as collateral require one hundred and two percent of market value to the face amount of the deposit
- b. Promissory Notes secured by first trust deeds used as collateral require one hundred and fifty percent of market value to the face amount of the deposit
- c. Irrevocable Letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five percent of market value to the face amount of the deposit

2. Repurchase and Reverse Repurchase Agreements

- a. Only U.S. Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase

agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two per cent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

- b. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the repurchase agreement.

C. Investments Not Approved

Any security type or structure not specifically approved by this policy is hereby prohibited. Security types, which are thereby prohibited include, but are not limited to: investment pools (except State LAIF), shares of beneficial interest issued by diversified management companies (except U. S. Government money market funds), collateralized mortgage obligations (CMO's), mortgage pass-through securities, reverse repurchase agreements used as a leveraging vehicle, "exotic" derivatives structures such as range notes, dual index notes, inverse floating-rate notes, leveraged or de-leveraged floating-rate notes, interest-only strips that are derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, or any other complex variable or structured note with an unusually high degree of volatility or risk.

D. Exceptions to Prohibited and Restricted Investments

The City shall not be required to sell securities prohibited or restricted in this policy, or any future policies, or prohibited or restricted by new State regulations, if purchased prior to their prohibition and/or restriction. Insofar as these securities provide no notable credit risk to the City, holding of these securities until maturity is approved. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

VIII. INVESTING PARAMETERS

A. Diversification

The City shall diversify its investments by security type, issuer, maturity, and financial institutions. No percentage limitations are established for United States government, United States government agencies and United States government sponsored enterprises; however percentage limitations are established for other permitted investments, as noted in Section VII of this policy. The investments shall be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities), limiting investment in securities that have higher credit risks, and investing in securities with varying maturities.

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which

jeopardizes the total capital position of the overall portfolio. To control market price risks, volatile investment instruments shall be avoided. To control risks of illiquidity, a minimum of ten percent of the total portfolio shall be held in highly marketable U.S. Treasury Bills and Notes and/or the State of California Local Agency Investment Fund and/or Money Market Funds and/or securities maturing within ninety days.

B. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Where there is no specified maturity limitation on an investment, no investment shall be made in any security, which, at the time of the investment, has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment no less than three months prior to the investment.

In addition to the five year limitation on investments specified in this policy, the average maturity of the City's combined portfolio shall not exceed two and a half years without prior approval of the City Council.

IX. REPORTING

The Treasurer shall submit investment reports to the City Council that provide a clear picture of the status of the current investment portfolio and shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program. Based on the discretion of Finance Committee, an independent advisor may be contracted, from time to time to perform one or more of the following functions: confirm that the portfolio is in compliance with the Government Code of the State of California and with the Statement of Investment Policy of the City of Santa Barbara; present an evaluation of the portfolio and investment strategy recommendations; and, provide any other information that may be helpful to Finance Committee in their review of the portfolio.

A. Monthly Reporting to City Council

The Treasurer shall submit to City Council, within thirty days following the end of the month, an investment report that summarizes all securities in the portfolio and a separate listing of investment transactions occurring during the month. The report shall be prepared by the Treasury Manager and approved by the Finance Director. The report shall include:

1. Investment type
2. Purchase date
3. Maturity date
4. Credit quality
5. Coupon and yield
6. Book value
7. Market value
8. Book gain/loss
9. Market gain/loss
10. Source of valuation
11. Average days to maturity
12. Variable rate(s) or call features

B. Quarterly Reporting to City Council

In addition to the components required in the monthly investment report, a narrative shall accompany the portfolio report addressing noteworthy items, deviations from the investment policy, comments on the fixed income markets and economic conditions, possible changes in the portfolio going forward, and thoughts on

investment strategies. The quarterly report shall also include a statement of compliance with the investment policy and a statement of the ability to meet expenditures for the next six months (or an explanation as to why sufficient money shall, or may, not be available).

C. Performance Standards

The investment portfolio shall be managed in accordance with the parameters specified within this policy and always with consistently safe and prudent treasury management. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit sold early to minimize loss of principal
- A security swap that would improve the quality, yield, or target duration in the portfolio
- Unforeseen liquidity needs of the portfolio require that the security be sold

1. Market Yield (Benchmark)

The City's overall investment strategy is passive: investments are generally held to maturity. The quarter-to-date LAIF apportionment rate, the three-month U.S. Treasury Bill and the two-year U.S. Treasury Note shall also be considered useful benchmarks of the City's portfolio performance.

2. Marking to Market

The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed. In defining market value, consideration shall be given to pronouncements from the Government Accounting Standards Board (GASB) that address the reporting of investment assets and investment income for all investment portfolios held by governmental entities. The fair value of all securities reported in the City's portfolio is based on currently quoted market prices.

X. INVESTMENT POLICY COMPLIANCE AND ADOPTION

A. Policy Compliance and Changes

Any deviation from the policy shall be reported to Finance Committee at the next scheduled meeting and to City Council as part of the monthly review of the portfolio. The Treasurer shall promptly notify Finance Committee and City Council of any material change in the policy and any modifications to the policy must be approved by Finance Committee and City Council.

B. Annual Statement of Investment Policy

The Treasurer shall render a written Statement of Investment Policy that shall be reviewed at least annually by Finance Committee and City Council to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. City Council shall consider the annual Statement of Investment Policy and any changes therein at a public meeting. The Statement of Investment Policy shall be adopted by resolution of City Council.

APPENDIX 1

GLOSSARY OF INVESTMENT TERMS

AGENCY: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government (i.e. Government National Mortgage Association). Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee (i.e. Federal National Mortgage Association).

ASKED: The price at which securities are offered for sale; also known as offering price.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you *ask* for a bid.)

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

BROKER: Someone who brings buyers and sellers together and is compensated for his/her service.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual financial report for a public agency. It includes five combined statements for each individual fund combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and detailed statistical section.

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by a Nationally Recognized Statistical-Rating Organization.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

CURRENT YIELD (CURRENT RETURN): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, by buying and selling for his/her own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DIVERSIFICATION: Dividing investment funds among a variety of security types by sector, maturity and quality ratings offering independent returns.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FAIR VALUE: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small-business firms, students, farmers, farm co-operatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits currently up to \$100,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banks services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., twelve Regional Banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GSAB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

GOVERNMENT SECURITIES: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

INTEREST RATE RISK: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

- **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.

- **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
- **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
- **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): Chapter 730, Statutes of 1976 of the State of California, established the Local Agency Investment Fund. This fund enables local governmental agencies to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with State monies as a part of the Pooled Money Investment Account. Each local governmental unit has the exclusive determination of the length of time its money will be on deposit with the State Treasurer. At the end of each calendar quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, the State's costs of administering the program are deducted from the earnings.

MARK-TO-MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MARKET RISK: The risk that the value of a security will raise or decline as a result of changes in market conditions.

MARKET VALUE: The current price at which a security is trading and could presumably be purchased or sold at that particular point in time.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of a financial obligation is due and payable.

MONEY MARKET MUTUAL FUND: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

MUTUAL FUND: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by Securities and Exchange Commission (SEC) disclosure guidelines.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

NATIONALLY RECOGNIZED STATISTICAL-RATING ORGANIZATION (NRSRO): Standard and Poor's, Moody's, and Fitch Financial Services are examples of such organizations.

OFFER: An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker/dealers, banks and a few unregulated firms.

PRINCIPAL: (1) The face amount or par value of a debt instrument. (2) One who acts as a dealer buying and selling for his own account.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REINVESTMENT RISK: The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specific date.

RISK: Degree of uncertainty of return on an asset.

RULE 2A-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

SAFEKEEPING SERVICE: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection and security.

SECONDARY MARKET: A market is made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES LENDING: An agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises, (FLAB, FNMA, SLMA, etc.), and Corporations that have imbedded options, (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns), into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

SWAP: Trading one asset for another.

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TREASURY BILLS: Short-term U.S. government non-interest bearing discounted debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

TREASURY BOND: A long-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of more than 10 years and issued in minimum denominations of \$1,000.

TREASURY NOTE: A medium-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of from one to ten years and issued in denominations ranging from \$1,000 to \$1 million or more.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission (SEC) Rule 15C3-1 outlining requirements that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the security's current price. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA ADOPTING THE INVESTMENT
POLICY FOR THE CITY AND RESCINDING
RESOLUTION NO. 09-063

WHEREAS, the City Council adopted Resolution Nos. 85-065 and 85-121, establishing a policy regarding the investment of City funds;

WHEREAS, the Council last reaffirmed the policy by adopting Resolution No. 09-063; and

WHEREAS, the City of Santa Barbara has consistently maintained a policy of due diligence and the minimizing of risk in the investment of City funds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The attached Exhibit, City of Santa Barbara Statement of Investment Policy, is hereby adopted and made a part of this resolution.

SECTION 2. Resolution No. 09-063 is hereby rescinded.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING TITLE 17 SECTIONS 17.18.050, 17.20.005 I AND L, 17.20.255, 17.28.010, 17.28.020, AND 17.28.070 OF THE SANTA BARBARA MUNICIPAL CODE PERTAINING TO OPERATIONS AT THE WATERFRONT

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION ONE. Section 17.18.050, Subsection 17.20.005 I and L, Section 17.20.255, Section 17.28.010, Section 17.28.020, Section 17.28.070 of Title 17 of the Santa Barbara Municipal Code are amended to read as follows:

17.18.050 Termination of Live-Aboard Permit.

A. TERMINATION. A live-aboard permittee may terminate his or her Live-Aboard permit upon thirty (30) days prior written notice of termination to the Waterfront Department.

B. TERMINATION BY WATERFRONT DIRECTOR. The Waterfront Director may terminate a Live-Aboard permit upon thirty (30) days prior written notice of termination to the Live-Aboard permittee for any of the following reasons:

1. Failure to Maintain Berthed Vessel in Operable Condition. The failure of a Live-Aboard permittee to continuously maintain a vessel berthed in a Slip in an Operable condition as required by Section 17.20.005 L herein.

2. Failure of Live-Aboard Permittee to Comply with Waterfront Department Rules and Regulations. The failure of a Live-Aboard permittee or Live-Aboard permittee's "other occupant," guest or visitor to comply with all applicable local, state and federal laws and all waterfront Department Rules and Regulations.

C. ISSUANCE OF LIVE-ABOARD PERMIT AFTER TERMINATION.

A Live-Aboard permittee whose Live-Aboard permit is terminated as provided herein may not apply for a another Live-Aboard permit until six months after the date upon which the Live-Aboard permit is terminated. The Waterfront Director shall have the sole discretion to decide whether to issue another Live-Aboard permit or not. The Waterfront Director's decision shall be final.

D. APPEAL. If the Waterfront Director terminates a Live-Aboard permit, the Live-Aboard permittee may request a waiver of the termination from the Waterfront Director. To request a waiver of the termination, the Live-Aboard permittee shall file a written waiver request setting forth the grounds upon which the waiver is requested with the Waterfront Director within ten (10) days of the date that the Live-Aboard permit is terminated. If the Waterfront Director denies the waiver, the Live-Aboard permittee may appeal the Waterfront Director's decision to the Harbor Commission. The appeal shall be filed in writing with the City Clerk within ten (10) days of the date of the Waterfront Director's decision. The Harbor Commission's decision on the appeal shall be final. If no waiver request is filed, the Live-Aboard permittee may appeal the Waterfront Director's decision to terminate the Live-Aboard permit to the Harbor Commission. The Live-Aboard permittee shall file a written appeal setting forth the grounds upon which the appeal is based with the City Clerk within ten (10) of the date of the Live-Aboard permit termination.

17.20.005 Slip Assignment Policy.

I. WATERFRONT DIRECTOR TERMINATION OF SLIP PERMITS

The Waterfront Director may terminate a Slip Permit upon thirty days prior written notice of termination (except for the longer notice period provided in subsection 2 herein) to the slip permittee for any of the following reasons:

1. Late Payment of Monthly Slip Fees. Monthly Slip Fees are due and payable on the first day of the month with or without receipt of billing, and monthly Slip Fees are delinquent after the fifteenth day of the month. After the fifteenth day of the month, a late charge, in an amount established by resolution of the City Council, will be assessed and added to the Slip Fees which are delinquent. Failure to pay monthly Slip Fees, together with all accumulated late charges, may result in termination of the Slip Permit. Termination of a Slip Permit due to late payment of Slip Fees may also result in termination of a live-aboard permit that may have been issued to a slip permittee of the terminated Slip Permit.

2. Death of a Sole Slip Permittee. A Slip Permit shall terminate sixty (60) days after the date of death of a slip permittee under circumstances where the slip permittee has no surviving spouse, registered domestic partner or Slip Permit partners at the time of death.

3. Failure to Meet Requirements for Commercial Fishing Earnings. Failure of a person with a specially designated Commercial Fishing Slip Permit issued in accordance with Section 17.20.005.B herein to meet the requirements for commercial fishing earnings, as such earnings requirement is established by resolution of the City Council, may result in termination of the Commercial Fishing Slip Permit.

4. Failure to Maintain Berthed Vessel in Operable Condition.

Failure of a slip permittee to continuously maintain a vessel berthed in a Slip in an Operable condition as required by Section 17.20.005.L herein may result in termination of the Slip Permit.

5. Failure of Slip Permittee to Comply With Waterfront Department Rules and Regulations. A slip permittee's or slip permittee's guest, visitor or invitee's failure to comply with all applicable local, state and federal laws and all Waterfront Department Rules and Regulations may result in termination of the Slip Permit.

J. APPEAL.

If the Waterfront Director terminates a Slip Permit, the slip permittee may request a waiver of the termination from the Waterfront Director. To request a waiver, the slip permittee must file a written waiver request setting forth the grounds upon which the waiver is requested with the Waterfront Director within ten (10) days of the date that the Slip Permit is terminated. If the Waterfront Director denies the waiver, the slip permittee may appeal the Waterfront Director's decision to the Harbor Commission. The appeal shall be filed in writing with the City Clerk within ten (10) days of the date of the Waterfront Director's decision. The Harbor Commission's decision on the appeal shall be final. If no waiver request is filed, the slip permittee may appeal the Waterfront Director's decision to terminate the Slip Permit to the Harbor Commission. The slip permittee must file a written appeal setting forth the grounds upon which the appeal is based with the City Clerk within ten (10) days of the date that the Slip Permit is terminated. The Harbor Commission's decision on the appeal shall be final.

K. VESSELS IN THE HARBOR MUST BE OPERABLE.

1. Vessels Assigned to a Slip Permit Must be Maintained as Operable Vessels. Vessels assigned to a Slip Permit must be continuously maintained in an Operable condition. If, at any time, based upon the appearance of the vessel, inspection by the Waterfront Director, or other facts, the Waterfront Director determines that a vessel is not Operable, the Waterfront Director shall give notice to the slip permittee requiring the slip permittee to demonstrate that the vessel is Operable within fifteen (15) days of the date of the notice. If the slip permittee does not demonstrate Operability of the vessel within the fifteen (15) day period, the Slip Permit may be terminated and the vessel shall be removed from the Harbor.

a. Exception - Vessels Not Operable. Vessels that had assigned slips in the Santa Barbara Harbor on September 9, 1980, and which, on that date, were not Operable, shall be exempt from the operation of this section until transfer of the Slip Permit, after which time the Operability is required.

2. Vessels in the Harbor Must be Operable. Vessels in the Harbor must be continuously maintained as Operable Vessels. It shall be unlawful to berth a vessel in the Harbor that is not Operable.

L. ISSUANCE OF SLIP PERMIT AFTER TERMINATION.

A slip permittee whose Slip Permit is terminated as provided herein may not apply for another Slip Permit until one-year after the date upon which the Slip Permit is terminated. The Waterfront Director shall have the sole discretion to decide whether to issue another Slip Permit or not. The Waterfront Director's decision shall be final.

17.20.255 Santa Barbara Mooring Area.

A. MOORING OF VESSELS IN THE HARBOR DISTRICT.

1. **Unlawful Mooring in Harbor District.** It is unlawful to place, erect, construct or maintain a Mooring in any area of the Harbor District without a current and valid Mooring Permit issued by the Waterfront Director or without the express permission of the Waterfront Director.

2. **Unlawful Anchoring in Santa Barbara Mooring Area.** It is unlawful for any person having charge of a vessel to Anchor a vessel in the Santa Barbara Mooring Area without express permission of the Waterfront Director.

B. MOORED VESSELS MUST BE OPERABLE.

1. **Unlawful to Moor Inoperable Vessels.** It shall be unlawful to Moor a vessel in the Santa Barbara Mooring Area that is not Operable.

2. **Moored Vessels Must be Maintained as Operable Vessels.** Vessels assigned to a Mooring Site in the Santa Barbara Mooring Area must be continuously maintained in an Operable condition. If, at any time, based upon the appearance of the vessel, inspection by the Waterfront Director, or other facts, the Waterfront Director determines that a vessel is not Operable, the Waterfront Director shall give notice to the Mooring Permittee requiring the Mooring Permittee to demonstrate that the vessel is Operable within fifteen (15) days of the date of the notice. If the Mooring Permittee does not demonstrate Operability of the vessel within the fifteen (15) day period, the Mooring Permit shall be terminated and the Mooring and vessel shall be removed from the Santa Barbara Mooring Area as required in the Mooring Permit Rules and Regulations. Vessels issued Special Activity Mooring

Permits may be exempt from this provision, based on a determination of exemption by the Waterfront Director.

C. SANTA BARBARA MOORING AREA USE AND REGULATIONS.

1. Use of Mooring Sites. The Santa Barbara Mooring Area is divided into separate designated Mooring Sites. Mooring Sites shall be used only for the Mooring of Operable vessels and Dinghies by vessel owners who have been issued a Mooring Permit by the Waterfront Director. Mooring Sites shall not be used for commercial purposes without the express permission of the Waterfront Director. Mooring Permittees shall at all times use the Mooring Site in compliance with the Mooring Permit, Minimum Ground Tackle Specifications, this Chapter, and all local, state and federal rules. Failure to comply with all rules and regulations shall be cause for termination of a Mooring Permit.

2. Mooring Permit Administration.

a. Mooring Permits may be issued by the Waterfront Director in accordance with the Procedures for Conducting Lotteries for the Assignment and Issuance of Mooring Permits and the Mooring Permit Rules and Regulations adopted by Resolution of the City Council of the City of Santa Barbara.

b. Special Activity Mooring Permits may be issued by the Waterfront Director.

c. Mooring Permit, Term. A Mooring Permit shall be issued for a period of one year and may be renewed annually thereafter by the Waterfront Director.

d. A Mooring Permittee Shall Hold no More than One Permit.
No person shall at any time be issued or hold more than one Mooring Permit.

e. Slip Permittees Not Eligible for Mooring Permits. Slip Permittees in Santa Barbara Harbor are not eligible for assignment of Mooring Permits in the Santa Barbara Mooring Area, and Mooring Permittees in Santa Barbara Mooring Area are not eligible for Slip Permits in Santa Barbara Harbor either through assignment or transfer, unless one of the permits is relinquished prior to issuance of the other permit.

f. Transfer of Permit. Mooring Permits are not transferable or inheritable.

g. Rental of Mooring Sites Prohibited. It shall be unlawful for any person issued a Mooring Permit to rent or lease (whether or not for compensation paid or other value), sublease or loan a Mooring Site to any other person or entity.

3. Termination of Mooring Permit. Mooring Permits may be terminated either by the Waterfront Director or the Mooring Permittee as provided in the Mooring Permit Rules and Regulations. Upon termination of the Mooring Permit, the vessel and Mooring shall be removed from the Santa Barbara Mooring Area in accordance with the Mooring Permit Rules and Regulations.

4. Failure to Timely Remove a Vessel or Mooring from the Santa Barbara Mooring Area. If the Mooring is not removed within the time provided for such removal in the Mooring Permit Rules and Regulations, title to the Mooring shall vest in the City. The City may, thereafter, remove and sell or dispose of the Mooring and recover the removal, storage or disposal costs from the Mooring Permittee. If the Mooring Permittee fails to pay such cost, the Waterfront Director may collect such costs in any court of competent jurisdiction or may recover any costs from the proceeds of

sale of the Mooring. Vessels not removed from the Mooring Site within the time provided in the Mooring Permit Rules and Regulations shall be impounded by the City and subject to storage fees, disposal or lien sale proceedings as provided by law.

5. Appeal of Mooring Permit Termination. If the Waterfront Director terminates a Mooring Permit, the mooring permittee may request a waiver of the termination from the Waterfront Director. To request a waiver, the mooring permittee must file a written request setting forth the grounds upon which the waiver is requested with the Waterfront Director within ten (10) days of the date of termination under Section D 1 or D 2 of the Rules and Regulations of Mooring Permits. If the Waterfront Director denies the waiver, the Mooring permittee may appeal the Waterfront Director's decision to the Harbor Commission. The appeal shall be filed in writing with the City Clerk within ten (10) days of the date of the Waterfront Director's decision on the waiver. The Harbor Commission's decision on the appeal shall be final. If no waiver request is filed, the mooring permittee may appeal the termination to the Harbor Commission. The mooring permittee shall file a written appeal setting forth the grounds upon which the appeal is based with the City Clerk within ten (10) days of the date of termination under Section D 1 or D 2 of the Rules and Regulations of Mooring.

D. MOORING INSTALLATION REQUIREMENTS AND ANNUAL INSPECTION.

1. Mooring Installation. If offered a Mooring Permit, an individual shall place a Mooring and vessel in the Mooring Site designated in the Mooring Permit within ninety (90) days of acceptance of the Mooring Permit offer. The Mooring placement shall be made in accordance with the Minimum Ground Tackle Specifications by a City-Approved Mooring Inspector. If the Mooring and vessel are not timely placed in the Mooring Site, or if the Mooring is not approved as required by the Mooring Permit

Rules and Regulations, no Mooring Permit shall be issued.

2. Mooring Position. Any vessel moored in a Mooring Site within the City of Santa Barbara Mooring Area shall be firmly secured to a Mooring in such a manner as to prevent the vessel from drifting, dragging or otherwise moving off the Mooring Site. If the Waterfront Director determines that the migration of a vessel off the Mooring Site may cause an immediate threat or danger to life, property or the environment, the Waterfront Director may take action deemed necessary to abate such hazard. Any costs incurred by such abatement shall be borne by the Mooring Permittee.

3. Mooring Inspections. Moorings shall be inspected by a City-Approved Mooring Inspector upon installation at the Mooring Site and annually thereafter on each anniversary date of the issuance of the Mooring Permit (or more frequently at the Permittee's option or as deemed necessary by the Waterfront Director) to determine compliance with Minimum Ground Tackle Specifications. The installation and inspection shall be performed in accordance with the Mooring Permit Rules and Regulations by a City-Approved Mooring Inspector at the Mooring Permittee's sole cost and expense.

17.28.010 Permit Required - Business Activity.

Except as expressly authorized in writing by the Waterfront Director or his or her designee, no person shall engage in any business or commercial activity of any kind whatsoever in the Harbor District without first having applied for and obtained the appropriate license, lease or permit.

17.28.020 Permission Required - Advertising.

It shall be unlawful to erect, repair, alter, relocate or maintain any post, distribute or display signs, commercial advertisements or circulars within the Harbor District, or to direct or authorize another person to do so, except pursuant to a sign permit obtained in accordance with Chapter 22.70 of the Santa Barbara Municipal Code unless the sign is specifically exempted from the permit requirements as provided in Chapter 22.70.

The requirements of this Chapter shall not apply to a "For Sale" sign displayed on a vessel occupying a slip by the owner of the vessel, a sign, an announcement, or a flyer posted on a bulletin board provided on a Marina gate.

17.28.070 Appeal.

If the Waterfront Director denies or revokes a Business Activity Permit, the permittee may request a waiver of the denial or revocation from the Waterfront Director. To request a waiver, the permittee must file a written waiver request setting forth the grounds upon which the waiver is requested with the Waterfront Director within ten (10) days of the date that the permit is denied or revoked. If the Waterfront Director denies the waiver, the permittee may appeal the Waterfront Director's decision to the Harbor Commission. The appeal shall be filed in writing with the City Clerk within ten (10) days of the date of the Waterfront Director's decision. The Harbor Commission's decision on the appeal shall be final. If no waiver request is filed, the permittee may appeal the Waterfront Director's decision to deny or revoke the permit to the Harbor Commission. The permittee shall file a written appeal setting forth the grounds upon which the appeal is based with the City Clerk within ten (10) days of the date that the permit is denied or revoked. The Harbor Commission's decision on the appeal shall be final.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Request For Final Community Priority Designation For The Cancer Center Of Santa Barbara Project At 540 W. Pueblo Street

RECOMMENDATION:

That Council grant The Cancer Center of Santa Barbara a Final Community Priority Designation for 5,845 square feet of non-residential floor area.

DISCUSSION:

The proposal consists of a new comprehensive outpatient cancer treatment facility and rental housing for The Cancer Center of Santa Barbara on its 3.38 acre property that extends between W. Pueblo Street and W. Junipero Street. The proposed project is further described in the Planning Commission Staff Report (see Attachment 1).

Non-residential development is regulated by Municipal Code Section 28.87.300 (Development Plan Review and Approval) which describes allocation categories such as Minor Additions, Small Additions, Community Priority, and Economic Development, and contains standards for processing non-residential projects. Generally, projects are allocated the first 3,000 square feet of non-residential floor area from other categories for which they are eligible, such as Minor Addition, Small Addition, and/or Vacant, with the remaining square footage considered for Community Priority or Economic Development designation.

In this case, the project would result in 57,239 square feet of non-residential development. A total of 30,000 square feet would be allocated from the Minor and Small Addition categories (3,000 for each of the 10 existing parcels), 19,954 square feet would be from demolition credit, 1,440 square feet of existing commercial space would remain, and 5,845 square feet would be allocated from the Community Priority category. As shown on the attached Community Priority Projects Table, enough square footage is available to meet this request (see Attachment 2).

The Municipal Code describes Community Priority Projects as those which are found by the City Council as necessary to meet present or projected needs directly related to public health, safety or general welfare. The Municipal Code defines "general welfare" as *"a community priority project which has a broad public benefit (for example: museums, child care facilities, or community centers) and which is not principally operated for private profit."*

On December 8, 2009, the City Council made the finding that the project meets the definition of a Community Priority Project because it is a local, non-profit organization that is necessary to provide present and projected needs for cancer treatment in the Santa Barbara area, and granted the project a Preliminary Community Priority Designation for 5,845 square feet of non-residential floor area.

On June 10, 2010, the Planning Commission voted 5 to 0 and approved the project and made a recommendation to City Council for approval of a Final Community Priority Designation.

NOTE: The project plans have been sent separately to the City Council and are available for public review in the City Clerk's Office.

ATTACHMENTS: 1. Planning Commission Staff Report (without exhibits)
2. Community Priority Projects Table

PREPARED BY: Kathleen Kennedy, Associate Planner

SUBMITTED BY: Paul Casey, Assistant City Administrator

APPROVED BY: City Administrator's Office



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: June 3, 2010
AGENDA DATE: June 10, 2010
PROJECT ADDRESS: 540 W. Pueblo Street (MST2007-00092)
 Cancer Center of Santa Barbara
TO: Planning Commission
FROM: Planning Division, (805) 564-5470
 Danny Kato, Senior Planner
 Kathleen Kennedy, Associate Planner

I. PROJECT DESCRIPTION

The proposal consists of a new comprehensive outpatient cancer treatment facility and rental housing for the Cancer Center of Santa Barbara. The project site consists of ten lots, located between Junipero and Pueblo Streets, which would be merged into one 3.38-acre lot.

The Cancer Center of Santa Barbara currently operates from two locations: Cottage Hospital, where it has been in operation since 1949, and the project site. The existing uses (Oncology, administration, patient services) on the project site would remain. All Radiation Therapy outpatient services and 25% of Nuclear Medicine outpatient services currently located at Cottage Hospital would be relocated to the project site. The Cottage Hospital location would continue to provide services for in-patients, emergency patients, and outpatients, while the proposed facility on the project site would be for outpatients only. Although there would be no new employees hired as a result of the proposed project, thirty staff members would be relocated from the Cottage Hospital location.

The existing development on the project site consists of a 17,444 square foot main medical building, five additional medical office buildings, a residential duplex, a residential tri-plex, an uninhabitable single-family dwelling and accessory structures.

The project includes the merger of all 10 lots and the demolition of all structures onsite except for three buildings along W. Junipero Street. The existing main medical building, which is located within the 25-foot setback of Mission Creek, would be replaced with a new 53,407 square foot, three-story medical facility, located approximately 130 feet from the top of bank. The new facility would have a maximum height of 45 feet except for an architectural feature that would extend to 50 feet. The proposal includes a new three-story (four tier), 66,170 square foot parking structure with 169 parking spaces. The first level would be partially on grade and partially below grade. The parking structure would have a maximum height of approximately 39 feet. The seven required parking spaces for the residential units would be located in the parking structure. Three additional uncovered parking spaces would be located onsite, for a total of 172 proposed parking spaces. Vehicular access to the site would be provided by one driveway on Pueblo Street and one driveway on Junipero Street, resulting in the

elimination of three curb cuts on Pueblo Street and three on Junipero Street. The main driveway entrance to the Cancer Center will continue to be on Pueblo Street. The secondary entrance on Junipero Street will be used by employees, residents and for deliveries, and not by patients. However, some employees will continue to use the Pueblo Street entrance.

Two of the buildings to be retained (525 and 601 W. Junipero Street) would continue to be used as medical offices. One of the buildings to be retained (519 W. Junipero Street) would be converted to a residential duplex. Two new residential duplexes would be constructed.

There are ten permitted residential units on the project site, although four of the units are currently being used as medical offices, and the single-family residence located at 520 W. Pueblo Street is vacant and uninhabitable. See Exhibit C for additional details regarding existing and proposed uses by address.

The proposed project would result in a total of 57,239 square feet of medical office space and six residential units. The six residential units would be available as rental units and would be offered on a first-right-of refusal basis to Cancer Center employees.

The proposed project would involve grading in the amount of 2,700 cubic yards of cut and 5,500 cubic yards of fill. The project also includes revegetation of the creek bank and creek setback area.

Project construction is anticipated to take approximately 160 weeks (3 years) to complete from the commencement of demolition of structures through building construction and landscaping.

II. REQUIRED APPLICATIONS

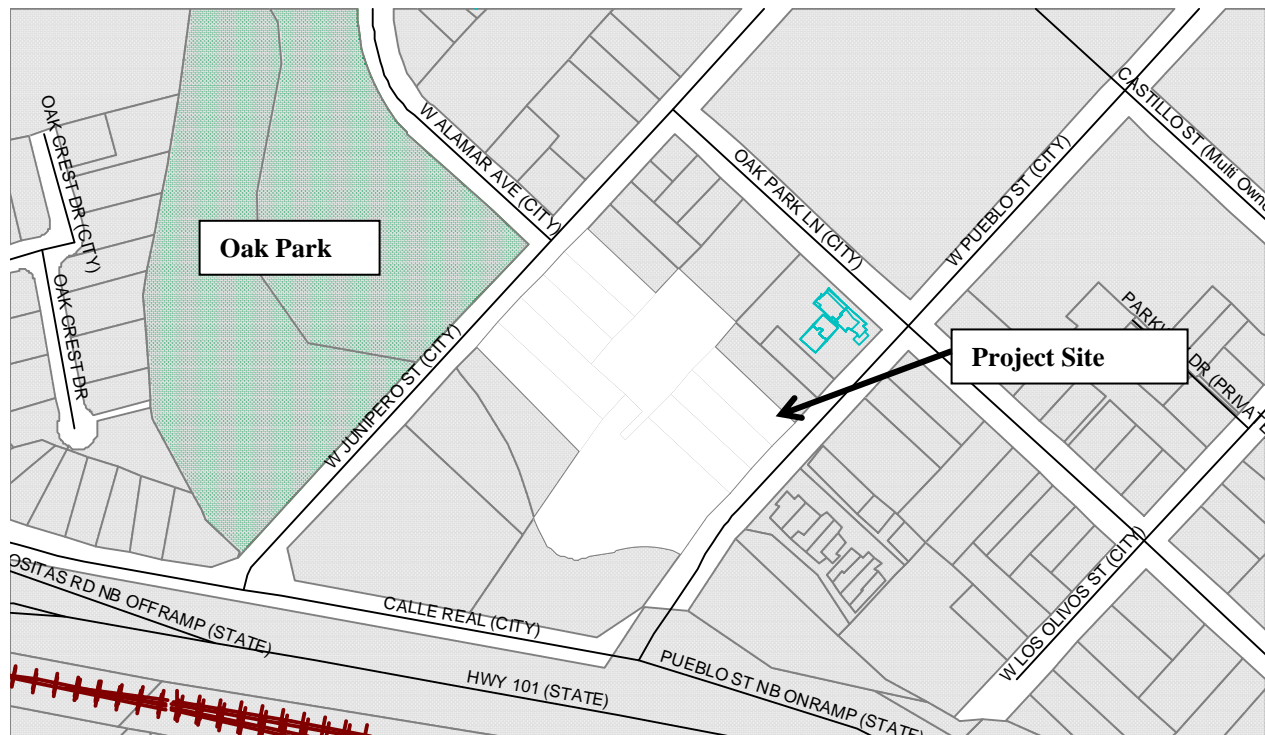
The proposed development would require the following discretionary applications:

1. A Development Plan to allow 30,000 square feet of new non-residential development (SBMC §28.87.300); and
2. Recommendation to City Council for Final Community Priority Designation for 5,845 square feet of floor area (SBMC §28.87.300).

The Planning Commission will consider approval of the Mitigated Negative Declaration prepared for the project pursuant to the California Environmental Quality Act Guidelines Section 15074.

III. RECOMMENDATION

The proposed project conforms to the City's Zoning and Building Ordinances and policies of the General Plan. In addition, the size and massing of the project are consistent with the surrounding neighborhood. Therefore, Staff recommends that the Planning Commission approve the project, making the findings outlined in Section VII of this report, and subject to the conditions of approval in Exhibit A.



Vicinity Map for Cancer Center of Santa Barbara

APPLICATION DEEMED COMPLETE:
DATE ACTION REQUIRED:

December 18, 2009
 June 16, 2010 to adopt MND (must approve/ deny project within 60 days of MND adoption)

IV. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

Applicant: Dudek	Property Owner: Cancer Center of Santa Barbara
Parcel Numbers: 025-090-005, -008, -022, -023, -024, -031, -039, -040, -046 & -047	Lot Area: 3.38 acres total upon merger
General Plan: Major Public/Institutional	Zoning: C-O, Medical Office
Existing Use: Medical, Residential	Topography: Relatively flat
Adjacent Land Uses: North - Oak Park, Single-family residential East - Medical offices South - Multi-family residential West - Oaks Parent-Child Workshop, Mission Creek, Medical offices (across Mission Creek)	

B. PROJECT STATISTICS

	Existing (net)	Proposed (net)
Commercial	20,130 square feet	57,239 sq. ft.
Residential	10 permitted units 5 occupied units	6 units

V. ZONING ORDINANCE CONSISTENCY

Standard	Requirement/ Allowance	Existing	Proposed
Setbacks -Front -Interior	Front: 15' commercial, 10' residential Interior: 10' commercial, 6' residential	Front: varies from 1' to >15' commercial, >10' residential Interior: >10' commercial, 6' residential	Varies Front: >15' commercial >10' residential Interior: 10' commercial 6' residential
Building Height	3 stories; 45'	Main facility: 2 stories, approx. 22'	Main facility: 45' maximum with architectural projection to 50'
Parking	167	68	172
Lot Area Required for Each Unit (Variable Density)	1-bedroom: 2 x 1,840 sq. ft. = 3,680 sq. ft. 2-bedrooms: 4 x 2,320 sq. ft. = 9,280 sq. ft.; 12,960 sq. ft. of lot area required for 6 units	N/A	Lot Area: 147,316 sq. ft.
Private Outdoor Living Space	1-bedroom: 120 sq. ft. 2-bedroom: 140 sq. ft.	N/A	1-bedroom: 120 sq. ft. 2-bedroom: 140 sq. ft.
10% Open Space	14,731 sq. ft.	N/A	>14,731 sq. ft.
Common Open Area	15' x 15' area	N/A	> 14,731 sq. ft.
Lot Coverage -Building -Paving/Driveway -Landscaping	N/A	N/A	51,508 sq. ft. 35.0 % 21,593 sq. ft. 14.7 % <u>74,215 sq. ft. 50.4 %</u> 147,316 sq. ft. 100%

The proposed project would meet the requirements of the C-O, Medical Office Zone. No modifications are requested. The project includes a request for square footage from the Minor, Small and Community Priority categories, as discussed below.

VI. ISSUES

A. PLANNING COMMISSION REVIEW

On November 1, 2007, the Planning Commission reviewed a conceptual proposal for the project site. Subsequently, the project was revised to include the removal of the existing facility and the construction of a new facility approximately 130 feet from the top of bank of Mission Creek. On April 13, 2010, the Planning Commission held an environmental review hearing to review the proposed Mitigated Negative Declaration (Exhibit D – PC Minutes).

B. DESIGN REVIEW

This project was reviewed by the Architectural Board of Review on December 1, 2009 (see Exhibit D of the Initial Study – ABR minutes). The majority of the Board stated that the architectural character, size, bulk, scale and height are acceptable. Further refinement of design and landscape plans will be required prior to any preliminary approvals.

C. COMPLIANCE WITH THE GENERAL PLAN

Land Use Element: The General Plan Land Use designation for the project site is Major Public/Institutional. The project site is located in the Oak Park neighborhood of the City. The existing development in the neighborhood has been influenced by Cottage Hospital and consists of medical offices, as well as multi-family and single-family residences. The neighborhood contains Oak Park, a public park located across West Junipero Street from the project site. As part of the *Plan Santa Barbara*, General Plan update process, it is expected that the Land Use designation surrounding Cottage Hospital would be changed from Public/Institutional to Office/Medium Density (12 dwelling units per acre), which is more consistent with the existing land uses. The change would not represent an increase in the residential density that currently exists in the neighborhood and the development of medical office uses would continue to be allowed. The residential portion of the proposed project would result in a density of 1.77 units per acre. The type of proposed uses (medical and residential) and the intensity of the uses are appropriate and are potentially consistent with both the existing Land Use designations and the proposed *Plan Santa Barbara* Land Use designation.

Open Space Element: The Open Space Element is concerned primarily with conserving, providing, and improving, as appropriate, significant land and water areas in the Santa Barbara landscape. Those would be defined as the ocean, mountains, major hillsides, creeks, shoreline, major parks and the freeway. The project site is located adjacent to Mission Creek. The proposed project would remove the existing medical facility from the 25-foot creek setback. The new facility would be located approximately 130 feet from the top of bank of Mission Creek. The proposed project includes restoration and revegetation of the creek bank and setback area. Therefore, the proposed project can be found potentially consistent with the Open Space Element.

Housing Element: Housing Element Goals 1 and 2 encourage construction and conservation of housing to meet the needs of various household types. The proposed project would result in

one additional residential rental unit over what currently exists on the site. The six residential units would be available as rental units and would be offered on a first-right-of refusal basis to Cancer Center employees. Therefore, the proposed project is potentially consistent with this goal of the Housing Element.

Housing Element Policy 3.3 “New development in or adjacent to existing residential neighborhood must be compatible in terms of scale, size, and design with the prevailing character of the established neighborhood.”

The neighborhood surrounding the project site is comprised of medical offices and multi-family and single-family residential development. The size and design of the proposed project has received positive comments from the City’s Architectural Board of Review (ABR) and requires final approval by the ABR prior to construction. Therefore, the proposed project can be found potentially consistent with this policy.

Circulation Element: The Circulation Element of the General Plan contains goals and implementing measures to reduce adverse impacts to the City’s street system and parking by reducing reliance on the automobile, encouraging alternative forms of transportation, reviewing traffic impact standards, and applying land use and planning strategies that support the City’s mobility goals. The project includes a pedestrian path that would provide a convenient connection between uses on Pueblo Street and Oak Park. The project also includes residential units for Cancer Center employees, thereby potentially reducing daily work trips to the site. The main driveway entrance to the Cancer Center will continue to be on Pueblo Street. The secondary entrance on Junipero Street will be used by employees, residents and for deliveries, and not patients, although some employees will continue to use the W. Pueblo Street entrance. Traffic and circulation is further addressed in Section 11 (Transportation/Circulation) and the Response to Comment section of the proposed Final Mitigated Negative Declaration. The project would not result in any significant impacts associated with traffic or circulation. Therefore, the proposed project can be found potentially consistent with the Circulation Element.

Conservation Element: The proposed project would not significantly impact cultural, visual or biological resources. Please refer to discussion of these resources under the Environmental Review section, below, and additional discussion of policy consistency in the Initial Study (Exhibit D). Based on the proposed project description, and with implementation of required mitigation measures, the project’s impacts to historic resources, biological resources, visual resources would be less than significant, and staff finds the project to be consistent with the Conservation Element.

Noise Element: The City’s Noise Element includes policies intended to achieve and maintain a noise environment that is compatible with the variety of human activities and land uses in the City. The proposed project operation would not generate a substantial increase in existing ambient noise levels in the area due to the nature of the proposed use (one new residential unit and medical office use). Short-term construction noise would be minimized through implementation of the City’s Noise Ordinance requirements, the use of noise barriers, and further restrictions on construction hours for the noisiest construction activities near the

adjacent pre-school. The proposed uses would not be subject to excessive noise. Therefore, the proposed project can be found potentially consistent with the Noise Element.

Seismic Safety/Safety Element: The City's Seismic Safety/Safety Element requires that development be sited, designed and maintained to protect life, property, and public well-being from seismic and other geologic hazards, and to reduce or avoid adverse economic, social, and environmental impacts caused by hazardous geologic conditions. The proposed project impacts related to fault rupture, ground-shaking, liquefaction, landslides, subsidence, grading, changes in topography, and erosion were determined to be less than significant. There would be no impacts related to seiche, tsunami and expansive soils. Therefore, staff finds the project to be consistent with the Seismic Safety/Safety Element.

D. ENVIRONMENTAL REVIEW

Environmental review of the proposed project has been conducted pursuant to the California Environmental Quality Act (CEQA) and related Guidelines. A Draft Initial Study and Mitigated Negative Declaration (MND) were prepared to evaluate the project's potential impacts on the physical environment. The analysis identified potentially significant but mitigable environmental effects in the following issue areas: air quality, biological resources, cultural resources, hazards, noise, and public services. In addition, recommended mitigation measures were identified to further reduce less than significant impacts associated with geophysical conditions and public services.

The Draft MND was available for public review from April 15 to May 17, 2010. Four comment letters were received. A public hearing was held on May 13, 2010, where the Planning Commission provided comments. No members of the public were present. The primary environmental concerns raised were related to traffic on Junipero Street, construction noise, and air quality. These issues are addressed in the Response to Comments section of the proposed Final Mitigated Negative Declaration (Exhibit R of the Initial Study).

A proposed Final Mitigated Negative Declaration has been prepared. The analysis concludes that no significant environmental impacts would result from the project as mitigated. Below is a brief summary of the Final Mitigated Negative Declaration evaluation.

Aesthetics: The proposed project would have no impact on scenic views, and the impacts to on-site aesthetics and lighting would be less than significant.

Air Quality: The proposed project impacts related to the Clean Air Plan, long-term (area source and operational) emissions, short-term (construction) emissions, global climate change, cumulative emissions, and odors would be less than significant.

The proposed project impacts related to asbestos would be potentially significant, mitigable because there is no known safe level of asbestos and it has the potential to impact the adjacent pre-school. The APCD has requirements regarding asbestos exposure that have been included as a required mitigation measure. With implementation of mitigation to minimize potential exposure to asbestos, this impact would be reduced to a less than significant level.

The project impacts associated with nuisance dust and diesel PM are considered potentially significant, mitigable because of its location adjacent to a pre-school and the length of the construction period. The APCD has requirements regarding dust control and construction equipment engines that are included as required mitigation measures. In addition, mitigation measures requiring that Tier 2 diesel-powered construction equipment be used and that demolition and grading within 75 feet of the Oaks Parent-Child Workshop property occur outside of the school operating hours are also included. The pre-school operating hours are generally Monday through Friday from 8:45 am to 11:45 am, between September and June. The mitigation measure included in the Noise section that requires the installation of a temporary 8 to 10 foot high construction wall to shield construction noise from the pre-school and other surrounding uses would also reduce the impacts of dust. With the implementation of these required mitigation measures, these impacts would be reduced to a less than significant level. Air Quality is further addressed in the Response to Comment section of the proposed Final Mitigated Negative Declaration.

Biological Resources: The proposed project impacts related to rare/endangered species or their habitats, natural communities, wetland habitat, and wildlife dispersal would be less than significant. The proposed project impacts to trees would be potentially significant, mitigable because seven coast live oak trees would be removed and 13 other coast live oak trees have the potential to be damaged by grading and construction activities. The required planting of 22 replacement oak trees, as well as oak tree protection measures for the remaining coast live oak trees, have been included as mitigation measures. With the implementation of these mitigation measures to replace oak trees that would be removed, and to protect oak trees during construction, the impacts of the proposed project on the oak trees would be reduced to a less than significant level.

The project includes restoration of the area adjacent to the creek and includes an increased setback from the creek when compared to the existing development. These components of the project would have a beneficial biological impact. Since the mature trees within the project site provide potential nesting habitat for a variety of bird species, a mitigation measure that addresses nesting bird protection is also included. With the implementation of the mitigation measure that protects nesting birds, and the recommendations in the Biological Resources Summary report that protect wildlife and their habitat during construction activities, the impacts of the proposed project would be further reduced.

Cultural Resources: The proposed project impacts related to archaeological resources would be less than significant. There would be no impact to ethnic or religious resources.

The Historic Structures Report (HSR) concludes that the front structure located at 519 W. Junipero Street, and the main structures at 525 W. Junipero Street, 524 W. Pueblo Street, and 526 W. Pueblo Street would each qualify as a City Structure of Merit.

The proposed project impacts to historic resources (519 and 525 W. Junipero Street) would be less than significant because the structures would be rehabilitated according to the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Building.

Both 524 and 526 W. Pueblo Street would be removed from the site by either relocation or demolition. The proposed project impacts to these historic resources would be potentially significant, mitigable. The HSR states that the structure at 524 W. Pueblo Street, at slightly more than 100 years old, is one of the oldest structures on the block and meets several history criteria; however, it suffers from a seriously compromised setting, from a lack of integrity in its material and from some minor but visible stylistic alterations. The report states that the 80-year-old structure at 526 W. Pueblo Street has good integrity but only minimally meets any historic significance criteria. The mitigation measures regarding relocation, demolition and commemoration would reduce the adverse impact of the loss of the structures to a less than significant level.

Geophysical Conditions: The proposed project impacts related to fault rupture, ground-shaking, liquefaction, landslides, subsidence, grading, changes in topography, and erosion would be less than significant. There would be no impacts related to seiche, tsunami and expansive soils.

Hazards: The proposed project impacts related to hazardous substances, creation of health hazards, and fire hazard would be less than significant.

It is possible that the existing buildings contain lead-based paint and asbestos. The proposed project impacts related to health hazards would be potentially significant, mitigable because there may be exposure to lead-based paint and asbestos. The Occupational Safety and Health Administration (OSHA) has regulations regarding lead exposure that are included as a required mitigation measure. Compliance with the mitigation measure would reduce impacts related to lead exposure to a less than significant level. Compliance with Mitigation Measure AQ-1 would reduce potentially significant health impacts related to asbestos exposure to less than significant levels.

Noise: The proposed project impacts related to exterior long-term (operational) noise would be less than significant.

The proposed project impacts related to interior long-term (operational) noise impacts would be potentially significant, mitigable because occupants would have long-term exposure to noise greater than 45 dB(A) Ldn. With the implementation of the mitigation measure requiring new construction to be designed with adequate ventilation through either mechanical ventilation and/or air conditioning so that windows could remain closed, and the mitigation measure requiring verification of noise levels, the impacts would be reduced to a less than significant level.

The proposed project impacts from construction would be potentially significant, mitigable because construction noise would affect the adjacent pre-school. The mitigation measure requiring that a temporary 8 to 10 foot high plywood construction wall be installed around the construction site would reduce the noise impact on the adjacent pre-school and others in the immediate area. The mitigation measure included in the Air Quality section that requires demolition and grading within 75 feet of the Oaks Parent-Child Workshop property to occur outside of school operating hours would also reduce the noise impact on the pre-school.

Population and Housing: The proposed project impacts related to growth and housing displacement would be less than significant.

Public Services: The proposed project impacts related to fire protection, police protection, schools, public facilities, roads, other governmental services, electric power or natural gas, water treatment or distribution facilities, sewer, water demand, and long-term (operational) solid waste generation and disposal would be less than significant.

The proposed project impacts related to short-term (demolition and construction) solid waste generation and disposal would be potentially significant, mitigable because the amount generated would be more than the 350-ton threshold. With the implementation of the mitigation measure requiring that a minimum of 90% of demolition and construction material be recycled or reused, which exceeds the County's recommendation of a 50% reduction short-term waste disposal, impacts would be reduced to a less than significant level.

Recreation: The proposed project impacts related to recreational demand and existing recreational facilities would be less than significant.

Transportation and Circulation: The proposed project impacts related to long-term traffic, short-term (construction) traffic, access, circulation, safety, parking, and pedestrians/ bicyclists would be less than significant. Traffic and circulation is further addressed in the Response to Comment section of the proposed Final Mitigated Negative Declaration.

Water Environment: The proposed project impacts related to permeability, drainage, flooding, surface water quality and ground water quality would be less than significant.

The proposed Final Mitigated Negative Declaration has identified no significant and unavoidable impacts related to the proposed project. Pursuant to CEQA and prior to approving the project, the Planning Commission must consider the Mitigated Negative Declaration. For each mitigation measure adopted as part of a Mitigated Negative Declaration, the decision makers are required to make the mitigation measure a condition of project approval, and adopt a program for monitoring and reporting on the mitigation measures to ensure their compliance during project implementation. The mitigation measures described in the proposed Final Mitigated Negative Declaration have been incorporated into the recommended conditions of approval for this project. In addition, a mitigation monitoring and reporting program (MMRP) is included in the project's Final Mitigated Negative Declaration.

E. DEVELOPMENT PLAN (SQUARE FOOTAGE ALLOCATION)

The proposed project would result in a total of 57,239 square feet of non-residential development. A total of 1,440 square feet of existing commercial space would remain, 30,000 square feet would be allocated from the Minor and Small Addition categories, 19,954 square feet would be from demolition credit, and 5,845 square feet would be allocated from the Community Priority category.

On November 24, 2009, the City Council made a preliminary finding that the project proposed for the Cancer Center of Santa Barbara meets the definition of a Community Priority Project and granted the project a Preliminary Community Priority Designation for 5,845 square feet of

non-residential floor area. Following project approval, the project would return to City Council for Final Community Priority designation.

VII. FINDINGS

The Planning Commission finds the following:

A. FINAL MITIGATED NEGATIVE DECLARATION ADOPTION

1. The Planning Commission has considered the proposed Final Mitigated Negative Declaration, dated May 27, 2010 for the 540 W. Pueblo Street, Cancer Center of Santa Barbara Project (MST2007-00092), and comments received during the public review process prior to making a recommendation on the project.
2. The Final Mitigated Negative Declaration has been prepared in compliance with California Environmental Quality Act requirements, and constitutes adequate environmental analysis of the project.
3. In the Planning Commission's independent judgment and analysis based on the whole record (including the initial study and comments received), there is no substantial evidence that the Project will have a significant effect on the environment. The Final Mitigated Negative Declaration, dated May 27, 2010, is hereby adopted.
4. Mitigation measures identified in the Mitigated Negative Declaration that would avoid or reduce all potentially significant impacts to less than significant levels have been included in the project or made a condition of approval. Additional mitigation measures to minimize adverse but less than significant environmental effects have also been included as conditions of approval.
5. A Mitigation Monitoring and Reporting Program prepared in compliance with the requirements of Public Resources Code § 21081.6, is included in the Final Mitigated Negative Declaration for the Project and is hereby adopted.
6. The location and custodian of documents or other material which constitute the record of proceedings upon which this decision is based is the City of Santa Barbara Community Development Department, 630 Garden Street, Santa Barbara, CA 93101.
7. The California Department of Fish and Game (DFG) is a Trustee Agency with oversight over fish and wildlife resources of the State. The DFG collects a fee from project proponents of all projects potentially affecting fish and wildlife, to defray the cost of managing and protecting resources. The project is subject to the DFG fee, and a condition of approval has been included, which requires the applicant to pay the fee within five days of project approval.

B. DEVELOPMENT PLAN (SBMC §28.87.300)

1. The proposed development complies with all provisions of the Zoning Ordinance. *The proposed project will be in compliance with the C-O Zone standards, as described in Section V of the Staff Report.*
2. The proposed development is consistent with the principles of sound community planning. *The proposed project is consistent with the principles of sound community planning by maintaining the current use of the property (outpatient cancer facility, medical offices, residential), which are allowed uses in the C-O Zone. The project is consistent with the General Plan, as described in Section VI of the Staff Report. Further, the project has been designed to minimize the impact on its residential neighbors.*
3. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be compatible with the neighborhood. *All exterior alterations onsite require review and approval by the Architectural Board of Review (ABR). The ABR has conceptually reviewed the project and has found it to be compatible with the existing buildings and the surrounding neighborhood.*
4. The proposed development will not have a significant unmitigated adverse impact upon City and South Coast affordable housing stock. *The project would not result in a significant impact to City and South Coast affordable housing stock as it will maintain the current uses (outpatient cancer facility, medical offices, residential), will provide one additional rental unit over what currently exists onsite, as described in Section 8 of the Initial Study/Mitigated Negative Declaration, and there will be no increase in the number of employees.*
5. The proposed development will not have a significant unmitigated adverse impact on the City's water resources. *Adequate City services are currently available to the project site. Water resource impacts are not anticipated with the construction of the proposed development because there will be no significant increase in water demand as described in Section 9 of the Initial Study/Mitigated Negative Declaration.*
6. The proposed development will not have a significant unmitigated adverse impact on the City's traffic. *Traffic impacts are not anticipated with the construction of the proposed development, as described in Section 11 of the Initial Study/Mitigated Negative Declaration.*
7. Resources will be available and traffic improvements will be in place at the time of project occupancy. *Adequate City services are currently available to the project site, and traffic improvements are not required.*

C. COMMUNITY PRIORITY DESIGNATION

The project is necessary to meet a present or projected need directly related to public health, safety or general welfare. *The City Council has determined that the proposed project qualifies as a Community Priority project because it is a local, non-profit organization that is necessary to provide present and projected needs for cancer treatment in the Santa Barbara area.*

Exhibits:

- A. Conditions of Approval
- B. Site Plan
- C. Existing and Proposed Uses by Address (Parcel)
- D. Planning Commission Minutes (November 1, 2007 & May 13, 2010)
- E. Proposed Final Mitigated Negative Declaration (without Exhibits)
- F. Response to Comments/ Public Comment Letters (also Exhibit R of Final MND)

Exhibits A through Q are available at the Community Development Department at 630 Garden Street, the Main Library at the corner of Anapamu and Anacapa Streets, and online at: <http://www.SantaBarbaraCa.gov/eir>.

**PROJECTS WITH PRELIMINARY OR FINAL
COMMUNITY PRIORITY DESIGNATIONS**

PROJECT/ADDRESS	PRELIM. DESIG. (SQ. FT.)	FINAL DESIG. (SQ. FT.)	STATUS/ COMMENT
Boys & Girls Club Addition 602 W Anapamu Street MST90-02931	4,800		Initial application 1990; potential - working on revised
Housing Authority 702 Laguna Street MST92-00043		4,550	Completed
Natural History Museum 2559 Puesta Del Sol MST92-00608		2,165	Completed
Airport Fire Station 40 Hartley Place MST92-00746		5,300	Completed
Santa Barbara Zoo 500 Niños Drive MST95-00330		210	Completed
Desalination Plant 525 E. Yanonali Street MST95-00425 (MST90-00360)		528	Completed
Santa Barbara Rescue Mission 535 E. Yanonali Street MST96-00228		7,213	Completed
Airport Master Plan 601 Firestone Road MST96-00355		12,557*	Airline Terminal expansion; portion or all may be considered for Economic Development category at later date
Airport Master Plan 601 Firestone Road MST96-00355		50,000*	
Rehabilitation Institute 2405 and 2415 De la Vina Street MST97-00196		9,110	Completed
Visitor Information Center - Entrada de Santa Barbara 35 State Street MST97-00357		2,500	Approved 8/21/01
Santa Barbara Harbor Restrooms 134 Harbor Way MST97-00387		1,200	Completed
Airport Terminal Expansion (trailers) 500 Fowler Rd. MST97-00392		2,300	Completed
Waterfront Department Offices 132 Harbor Way MST97-00503		3,240	Completed

PROJECT/ADDRESS	PRELIM. DESIG. (SQ. FT.)	FINAL DESIG. (SQ. FT.)	STATUS/ COMMENT
Transitions Preschool 2121 De la Vina Street MST97-00696		723	Completed
S.B. Maritime Museum 113 Harbor Way MST97-00832		2,805	Completed
Santa Barbara Cottage Hospital (Hospitality House) 2407-2409 Bath Street MST98-00042		4,158	Completed
MacKenzie Park Lawn Bowls Clubhouse 3111 State Street MST98-00076		763	Completed
Cottage Hospital 320 West Pueblo Street MST98-00287		980	Completed
The Full Circle Preschool 509 West Los Olivos Street MST98-00231		832	Completed
Storyteller Children's Center 2115 State Street MST98-00364		2,356	Completed
Free Methodist Church 1435 Cliff Drive MST98-00877		2,544	Completed
Salvation Army 423 Chapala Street MST99-00014		2,968	Completed
Homeless Day Center and Shelter 816 Cacique Street MST99-00432		10,856	Completed
Emmanuel Lutheran Church 3721 Modoc Road MST99-00510		8,120	Completed
Marymount School 2130 Mission Ridge Road MST99-00542		4,000	Completed
Parking Lot 6 – Granada Theater 1221 Anacapa MST1999-00909/MST2003-00908		7,810	Completed
Planned Parenthood 518 Garden Street MST1999-00916		3,565	Completed
Sea Center 211 & 213 Stearns Wharf MST2000-00324		3,212	Completed

PROJECT/ADDRESS	PRELIM. DESIG. (SQ. FT.)	FINAL DESIG. (SQ. FT.)	STATUS/ COMMENT
Santa Barbara Zoo 500 Ninos Drive MST2000-00707 (& MST2002-00676)		10,000	Final Designation 4/10/2007
Clean Water and Creeks Restoration Office 620 Laguna Street MST2000-00828		480	Completed
Elings Park 1298 Las Positas Road MST2001-00007/MST2006-00509	12,190		Draft EIR stage
Braille Institute 2031 De la Vina Street MST2001-00048		4,000	Completed
Modular Classrooms at Boys & Girls Club 632 E. Canon Perdido Street MST2001-00150		6,502	Completed
Cater Water Treatment Plant 1150 San Roque Road MST2001-00732		6,750	Completed
Santa Barbara Neighborhood Medical Clinics 915 North Milpas Street MST2001-00774		2,518	Completed
632 E. Canon Perdido St. Boys and Girls Club MST2002-00786 MST2008-00563	7,600		Preliminary Designation 7/15/03
617 Garden St. Mental Health Assoc. MST2002-00257		2,703	BP Issued 11/17/06
4000 La Colina Rd Bishop Diego High School MST 2004-00673		9,512	Final Designation 12/20/2005
125 State St Children's Museum MST2009-00119	2,500		Preliminary Designation 4/7/2009
540 W. Pueblo St Cancer Center of Santa Barbara MST2007-00092	5,845		Preliminary Designation 12/8/2009
SUBTOTALS:	32,935	199,030	
ALLOCATED TO DATE: 231,965 SQ. FT. REMAINING UNALLOCATED: 68,035 SQ. FT.			



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Community Promotion Contract With Old Spanish Days

RECOMMENDATION:

That Council authorize the Finance Director to execute a Community Promotion contract with Old Spanish Days in an amount of \$89,368 covering the period from July 1, 2010, to May 31, 2011.

DISCUSSION:

The Fiscal Year 2011 budget includes \$89,368 in the Community Promotion Program for the Old Spanish Days organization. Promotion funding will be used for organizing, promoting, and sponsoring the community celebration of Fiesta, as well as help supporting year-round administrative expenses, which include insurance, printing, postage, utilities, and accounting services securing service providers for janitorial service for cleaning, trash pick-up, and portable toilets at the two "Mercados" and power-washing of the De la Guerra Mercado area. Community Promotion funds will also partially cover promotional costs for posters and brochures. The term of the contract extends over the period of July 1, 2010 through May 31, 2011.

PREPARED BY: Jennifer Hopwood, Executive Assistant

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Community Promotion Contract For The Santa Barbara Region Chamber Of Commerce To Support Operation Of The Visitor Information Center

RECOMMENDATION:

That Council authorize the Finance Director to execute a Community Promotion contract with the Santa Barbara Region Chamber of Commerce in an amount of \$49,045 to support year-round expenses of the Visitor Information Center.

DISCUSSION:

The Fiscal Year 2011 Budget includes \$49,045 in the General Fund Community Promotion Program for the Santa Barbara Region Chamber of Commerce to operate a Visitor Information Center. This contract will help support year-round salary and benefit expenses, telephone services and office supplies. The term of the contract commences on August 1, 2010, and terminates on July 31, 2011.

PREPARED BY: Jennifer Hopwood, Executive Assistant

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Community Promotion Contract With Santa Barbara International Film Festival

RECOMMENDATION:

That Council authorize the Finance Director to execute a Community Promotion contract with Santa Barbara International Film Festival in an amount of \$49,464 covering the period from July 1, 2010, to June 30, 2011.

DISCUSSION:

The Fiscal Year 2011 budget includes \$49,464 in the Community Promotion Program for the Santa Barbara International Film Festival (SBIFF). Promotion funding will be used for administration and promotion of the Film Festival. The term of the contract extends over the period of July 1, 2010, through June 30, 2011.

PREPARED BY: Jennifer Hopwood, Executive Assistant

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Community Promotion Contract With The Santa Barbara Conference
And Visitors Bureau And Film Commission

RECOMMENDATION:

That Council authorize the Finance Director to execute the Fiscal Year 2011 Community Promotion contract with the Santa Barbara Conference and Visitors Bureau in an amount of \$1,349,535 for the term of July 1, 2010, through June 30, 2011.

DISCUSSION:

The adopted Fiscal Year 2011 budget includes \$1,349,535 in Community Promotion funding for the Santa Barbara Conference and Visitors Bureau and Film Commission. The term of the contract covers the period of July 1, 2010, through June 30, 2011.

This contract will help support the expenses of administration, advertising, consumer and trade information services, public relations, sales, and the Film Commission.

PREPARED BY: Jennifer Hopwood, Executive Assistant

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Fire Prevention Division, Fire Department

SUBJECT: Receipt Of Community Fuels Hazard Reduction Grant

RECOMMENDATION: That Council:

- A. Authorize the receipt of grant funds totaling \$228,000 from the U.S. Forest Service through the California Fire Safe Council Clearing House; and
- B. Increase appropriations and estimated revenues for Fiscal Year 2011 by \$228,000 in the Miscellaneous Grants Fund for use in the Santa Barbara 2010 Community Fuels Hazard Reduction Project, using established City contract procedures.

DISCUSSION:

Santa Barbara has a long history of extreme fire behavior, most recently with the Tea and Jesusita fires of 2008-2009. In 2004, City Council adopted the Wildland Fire Plan, a comprehensive outline for mitigating threats posed by wildfire. In 2006, Council took steps to insure that specific aspects of the plan would be funded into the future by creating the Wildland Fire Suppression Assessment District (WFSAD). The WFSAD was approved by the property owners within the District in accordance with the provisions of Article XIII D of the California Constitution. The District is renewed by the Council annually, and most recently on May 25, 2010.

As part of the Wildland Fire Plan, the Fire Department established Vegetation Management as one of the goals to reduce the hazard (Wildland Fire Plan Section 2.6, page 20). Vegetation Management can be described as selective fuel reduction in areas, other than defensible space near structures, that are open and brush-covered. The land is typically privately owned and requires a high degree of community involvement to accomplish fuel reduction goals. Specific vegetation management areas, or units, were described in the plan. These areas were identified due to the potential for extreme fire behavior and accompanying threats to life and property. Four of the target areas described are Mountain Drive / Las Tunas, Eucalyptus Hill, Westmont and Hillcrest Road. These four target areas were largely unburned in both the Tea and Jesusita fires and were scheduled for completion within the next three years, using a combination of General Fund money and WFSAD funds.

In February 2010, the Fire Department applied for the Santa Barbara 2010 Community Fuels Hazard Reduction Project to assist in funding the effort to complete the units and provide public education to the residents. The project described in the grant is a collaborative effort between the City and the residents of the high fire hazard area. The project consists of three community outreach programs, providing defensible space instruction and chipping services, and completion of 46 acres of vegetation management outside of the property owner's required defensible space. In addition to education, the project will outline a program for ongoing maintenance of the areas treated. The goal of the project is to reduce the fuel by 1/2 to 2/3 in a modified shaded fuel break. The programs will be undertaken solely within the boundaries of the WFSAD and the funds will be used only for purposes for which the WFSAD was imposed.

On June 15, 2010 the Fire Department was notified that the City would be awarded the grant, with matching funds provided by established wildland programs in both the General Fund and WFSAD. The grant money will help complete this established project in a timely and cost effective manner.

BUDGET/FINANCIAL INFORMATION:

The grant consists of \$228,000 to be received into the Miscellaneous Grants Fund, Fire Department, for use in the described projects. Fire Department matching funds will total \$75,200 and will consist of employee time (\$68,000), supplies (\$1,500) and contractual services (\$5,700). Those contributions will come from budgeted costs in both the General Fund and the WFSAD. Matching funds from the WFSAD will be used only on projects for which the WFSAD was imposed and only for projects within the boundaries of the WFSAD.

SUSTAINABILITY IMPACT:

The Fire Department provides chipping services to homeowners involved in vegetation management. We have had a high degree of success recycling the chipped material for use as landscaping and mulch. In similar efforts over 90% of chipped material has been reused.

PREPARED BY: Joe Poiré, Fire Marshal

SUBMITTED BY: Andrew DiMizio, Fire Chief

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Grant Agreement With South Coast Community Media Access Center

RECOMMENDATION:

That Council authorize the Finance Director to execute a grant agreement, in a form of agreement acceptable to the City Attorney, with the South Coast Community Media Access Center for management of the public and educational access television channels in an amount of \$288,800 covering the period from July 1, 2010, to June 30, 2011.

DISCUSSION:

The Fiscal Year 2011 budget includes \$288,800 in the Community Promotion Program for the South Coast Community Media Access Center (CMAC). Since January 1, 2003, CMAC has been designated by the County of Santa Barbara under its franchise with Cox as the nonprofit entity to manage the public and educational access channels in the south Santa Barbara County region. The City has also maintained an annual grant agreement with CMAC since that time.

The proposed grant agreement with CMAC for Fiscal Year 2011 contains the following provisions:

1. Term: July 1, 2010 – June 30, 2011.
2. Funding: The City will grant CMAC quarterly advance payments of \$68,450 for public and educational access support. Additionally, the City will grant an additional \$15,000 to be paid in January 2011 dedicated for support of educational access. The total annual funding of \$288,800 includes a reduction of \$58,142 from the amount appropriated in the current fiscal year and allows Council to reduce funding by no more than \$57,500 with 30 days notice in the event that labor concessions with several bargaining units to bring the General Fund into balance are not reached for fiscal year 2011.

3. Indemnification: The City will be indemnified against any and all claims and actions arising from the performance of services under the agreement. Indemnification is a standard provision in all City grant agreements, including human services and community promotions grants. All nonprofit entities receiving City grant funds are required to defend and indemnify the City from any and all claims which may arise as a result of the actions of the Grantee.
4. Insurance: The insurance provisions are standard insurance requirements for City grant recipients with the exception of the liability policy requirements. Because of the specialized nature of services provided under the agreement, this agreement requires a media and broadcaster's liability policy. This is the same type of policy required of Cox Communications under the City's prior franchise agreement.
5. Compliance with Laws and Regulations: The agreement states that CMAC will comply with all applicable state and federal laws and regulations with specific reference to the Ralph M. Brown Act and the Public Records Act. This language is consistent with the County of Santa Barbara's legal compliance provisions in their operating agreement with CMAC and the previous City agreements with CMAC.

The CMAC board-elect reviewed and accepted the agreement at their board meeting on June 24, 2010. Staff recommends Council authorize the Finance Director to execute the agreement.

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Bob Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Recreation Division, Parks and Recreation Department

SUBJECT: Lease Agreements For Franklin Neighborhood Center, Westside Community Center, And Louise Lowry Davis Recreation Center

RECOMMENDATION:

That Council approve and authorize the Parks and Recreation Director to execute the lease agreements for a term of July 1, 2010 through June 30, 2011 for space at the following locations:

Franklin Neighborhood Center

Cornelia Moore Dental Foundation Clinic
Endowment for Youth

Westside Community Center

Community Action Commission/Senior Nutrition Program
Independent Living Resources Center
Special Olympics Southern California
UCP/Work Inc.
Youth CineMedia

Louise Lowry Davis Recreation Center

United Cerebral Palsy Association of Los Angeles, Ventura, and Santa Barbara County

DISCUSSION:

The Parks and Recreation Department administers lease agreements for facility space at below market rates with local non-profit social service providers at Community Centers. Leases are negotiated annually and commence on July 1, 2010. A ten year lease with the County of Santa Barbara Public Health Clinic in the Franklin Center expires on June 30, 2017. The non-profit agencies listed are renewal leases.

BUDGET/FINANCIAL INFORMATION:

The monthly rental rate for leased space is \$1.12 per square foot, as adopted by Council on June 29, 2010.

ATTACHMENT: Lease Schedule

PREPARED BY: Sarah Hanna, Recreation Programs Manager

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office

**FY 2010-11 LEASE SCHEDULES FOR FRANKLIN NEIGHBORHOOD CENTER,
WESTSIDE COMMUNITY CENTER, AND LOUISE LOWRY DAVIS CENTER**

FRANKLIN NEIGHBORHOOD CENTER

1136 East Montecito Street

Organization	Sq. Ft. Leased	Allocated Space*	Total Sq. Ft.	Rent at \$ 1.12 Sq. Ft. Per Month
Endowment for Youth	552	145	697	\$780.64
Cornelia Moore Dental Found. Clinic	139	36	175	\$196.00
County of Santa Barbara**	5,255	1,725	6,980	\$7,817.60
	5,946	1,906	7,852	\$8,794.24

WESTSIDE COMMUNITY CENTER

423 W. Victoria Street

Organization	Sq. Ft. Leased	Allocated Space*	Total Sq. Ft.	Rent @ \$ 1.12 Sq. Ft. Per Month
UCP/Work Inc.	3,044	474	3,518	\$3,940.16
Community Action Commission	264	18	282	\$315.84
Independent Living Resource Center	2,976	490	3,466	\$3,881.92
Santa Barbara Special Olympics	496	82	578	\$647.36
Youth CineMedia	496	82	578	\$647.36
	7,276	1,146	8,422	\$9,432.64

LOUISE LOWRY DAVIS COMMUNITY CENTER

1232 De La Vina Street

Organization	Sq. Ft. Leased	Allocated Space*	Total Sq. Ft.	Rent @ \$1.12 Sq. Ft. Per Month
United Cerebral Palsy of Los Angeles, Ventura, and Santa Barbara Counties	173	0	173	\$ 193.76

*Allocated spaces are those areas commonly used by all tenants. Auditorium, multi-purpose and conference rooms square footage is not included in the allocated space calculation.

**Ten-year lease agreement approved by Council on September 4, 2007.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Parks Division, Parks and Recreation Department

SUBJECT: Downtown Organization Maintenance Agreement For Fiscal Year 2011

RECOMMENDATION:

That Council authorize the Parks and Recreation Director to execute an agreement in the amount of \$594,242 with the Downtown Organization (DO) for landscape maintenance, sidewalk cleaning, and general maintenance of the 00-1200 blocks of State Street from Victoria Street to Cabrillo Boulevard, including the 101 underpass and various cross streets from July 1, 2010, through June 30, 2011.

DISCUSSION:

At the beginning of each fiscal year, the City of Santa Barbara contracts with the DO to provide landscape maintenance, sidewalk cleaning, and general maintenance of the 00-1200 blocks of State Street and many of the cross streets between Chapala and Anacapa Streets. The primary purpose of the contract is to maintain State Street in a clean, neat and attractive condition. Services provided by the DO include:

- Landscape maintenance and plant installation in accordance with State Street Maintenance Guidelines
- Trash and litter removal from sidewalks and planter areas
- Sidewalk washing using a water recovery system
- Cleaning and painting of all vertical surfaces of kiosks, planters, fountains, electrical boxes
- Cleaning and maintenance of drinking and decorative fountains; cleaning drinking fountains
- Trash and litter removal from sidewalks on the Paseo between Borders Books and the Fiesta Five movie theater
- Repair of vandalized or broken irrigation system components
- Trash and litter removal from sidewalks and planters at Storke Placita

BUDGET/FINANCIAL INFORMATION:

Funding for this contract, in the amount of \$594,242, is included in the proposed Parks and Recreation Department Fiscal Year 2011 budget. The Downtown Parking Program will provide \$281,621 toward the contract. The remaining amount is funded by the General Fund. This agreement represents a decrease of \$31,000 from Fiscal Year 2010.

SUSTAINABILITY IMPACT:

Landscape maintenance on State Street is consistent with the City's Integrated Pest Management strategy. The DO uses hand weeding and mulch in the landscaped planters to control weeds. These methods help the City of Santa Barbara achieve its sustainability goals.

PREPARED BY: Santos Escobar, Parks Manager

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Sole Source Vendor For Clean Air Express Transit Passes

RECOMMENDATION:

That Council find it in the City's best interest to approve the City of Santa Maria as the sole source vendor for purchasing Clean Air Express Transit Passes for City of Santa Barbara employees participating in the Work Trip Reduction Incentive Program, in accordance with Section 4.52.080 (k) of the Municipal Code; and authorize renewals for the next four fiscal years subject to Council approval of funding.

DISCUSSION:

On January 23, 2007, Council received a report from staff describing proposed enhancements to the City's existing Alternative Transportation Demand Management Program. This program was refashioned into the Work Trip Reduction Incentive Program (Program). The Program's purpose is to help the City meet both its Sustainability and Circulation Element Goals by setting the example as a model employer, and reducing the employee single-passenger driving rate by providing commuter benefits.

One of the benefits and incentives the City offers is a 75% subsidy towards the purchase of long distance bus passes. The Clean Air Express is the only service to provide long distance transit from Santa Maria and Lompoc to Santa Barbara. This year, the administration of the Clean Air Express services moved from the City of Lompoc to the City of Santa Maria.

The City of Santa Maria is the only vendor from which to purchase the Clean Air Express services. Staff recommends that Council approve this purchase. Section 4.52.070 (k) of the Municipal Code authorizes the purchase of goods or services without advertising after a determination by City Council that the goods or services are only available from one source and approval of the City Council.

BUDGET/FINANCIAL INFORMATION:

The cost for Fiscal Year 2011's expense to the Clean Air Express is estimated to be \$35,000, making adjustments for potential fee increases and anticipated increased participation. There are sufficient funds in the Alternative Transportation Program in the Streets Fund to cover the cost of the services. The cost of the program is funded by employee and City contributions.

SUSTAINABILITY IMPACT:

The Clean Air Express, with its current employee participation, saves over 250,000 miles per year of drive-alone trips by participating employees.

Since the Work Trip Program's initiation on July 1, 2007, over 1.4 million miles have been cut out of City employee commutes, 37,000 trips to the workplace have been eliminated, and 70,000 gallons of fuel were saved. As a result, 1.4 million pounds of emissions, and over \$800,000 dollars in employee commuting costs were saved.

Over the last three years, 310 employees have chosen not to drive alone to the workplace.

PREPARED BY: Browning Allen, Transportation Manager/SG/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Patrol Division, Police Department

SUBJECT: Donation Of Lenco Bearcat Special Purpose Vehicle To The Police Department

RECOMMENDATION:

That Council accept the donation of a 2010 Lenco Bearcat Special Purpose Vehicle, from the County of Santa Barbara, Office of Emergency Services (OES), for use by the Santa Barbara Police Department.

DISCUSSION:

Santa Barbara Police Department Special Weapons and Tactics Team (SWAT) and Crisis Negotiations Response Team (CNRT), are tasked with responding to high risk tactical incidents, including any domestic terrorist events in the City of Santa Barbara. The department currently lacks a special purpose vehicle with ballistic capabilities for the transportation of equipment and trained personnel in response to high risk incidents.

When officers and/or civilians are injured and in need of extraction in order to save their lives, time is of the essence. A Bearcat would allow any trained on-duty officer the ability to drive into a critical incident scene for the immediate extraction of a downed injured officer and/or civilian. In addition, a Bearcat could allow officers who are fired upon to resolve a critical incident without the use of deadly force against the suspect. Absent a ballistic rescue vehicle approach by officers, deadly force would be the only viable option if officers and/or civilians are fired upon.

The Lenco Bearcat vehicle will greatly enhance the security of our police officers and the citizens of Santa Barbara.

BUDGET/FINANCIAL INFORMATION:

Valued at \$242,910, the vehicle is being donated by the County of Santa Barbara, Office of Emergency Services (OES), as a result of a Homeland Security Grant. The allocated cost for yearly maintenance will be considered at mid-year review with several other vehicles in the Police Department's fleet.

PREPARED BY: Captain Alex Altavilla, Patrol Division

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Increase In Change Order Authority For The El Estero Wastewater Treatment Plant Fats, Oil, And Grease Project

RECOMMENDATION:

That Council authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra design work for the El Estero Wastewater Treatment Plant (El Estero) Fats, Oil, and Grease (FOG) Project (Project), in the amount of \$22,000 for a total project expenditure authority of \$86,800.

DISCUSSION:

BACKGROUND

The FOG Project will take place at the El Estero Wastewater Treatment Plant. The original scope of work consists of designing an injection system to divert FOG materials into El Estero's digesters, thereby reducing the truck trips currently required to haul the material long distances for disposal. Additionally, staff anticipates that the FOG Project will generate an increased amount of methane that can be used for co-generation of heat and electricity. This will result in a reduction of up to 17 metric tons of carbon dioxide-equivalent emissions annually.

On February 2, 2010, Council awarded the design contract to AECOM in the amount of \$59,400, plus a Change Order authority of \$5,400, for a total contract amount of \$64,800.

CURRENT STATUS

Staff review has shown the need for a more robust Project in order to maintain current operational standards. El Estero staff is pursuing redundancy in all systems to prevent down time of any processes. This redundancy was not originally addressed in the scope of work, and is being included in this Change Order. The enhanced scope will extend useful life by several years through the incorporation of these component features.

The extra work proposed includes additional piping and pumping facilities to allow the FOG to be delivered to either of the two digesters, redundancy in all critical pumps and valves, spill containment infrastructure around the FOG receiving tank, and drainage facilities for use in cleaning and in case of spillage related to delivery.

To design the Project to this updated scope, the Project Change Order Authority would need to be increased by \$22,000.

BUDGET/FINANCIAL INFORMATION:

Staff recommends that the Change Order Authority be increased by \$22,000, from \$5,400 to \$27,400, to cover additional work identified in this report. If approved, the total Project expenditure authority will be increased to \$86,800.

There are sufficient appropriated funds in the Wastewater Capital Fund to cover the City's portion of the recommended extra work items.

ATTACHMENT: El Estero Budget Revision

PREPARED BY: Christopher Toth, Wastewater System Manager/AP/cc

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



AECOM
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805 542 9840 tel
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Alelia Parenteau
Energy Analyst
City of Santa Barbara
620 Laguna Street
Santa Barbara, CA 93101

5/27/10

Budget Revision Request 2 – El Estero WWTF FOG Pilot Project

On February 17, 2010, City Council authorized AECOM to proceed with the design of a pilot Fats Oil and Grease (FOG) receiving, handling, and injection station at the El Estero Wastewater Treatment Plant (WWTP). Our approved scope includes plans and technical specifications for the site piping, pumping, storage vessel, and local controls of the receiving and delivery system. We are also contracted to provide limited construction phase support.

City staff has requested AECOM to include additional project features and engineering tasks to our approved scope of work. The additional scope items requested are:

1. Design of a containment area surrounding the FOG processing area
2. Site drain to Cul-de-sac drain

Through our discussions with City staff, we have developed the following understanding of the requested modifications to our Scope of Work.

Additional Task Item 1 – FOG Containment Facilities

AECOM will provide construction plans and specifications for a containment wall surrounding the FOG processing area. Preliminary estimates indicate a concrete wall (25' x 25' x 3' high) will be required to contain 150% of the volume of the FOG storage tank. The design will include stairs with a handrail to access the containment area, and the containment area will feature concrete flatwork within the entire contained area. Flatwork will be sloped to a sump. The sump will be connected to a manually operated valve to allow periodic draining of collected water to the cul-de-sac drain (see item 2 below). As discussed, pumps will be located within the contained area. Truck offload equipment (rock trap, hose connection, etc.) will be located outside the containment area. Per Staff request, our design will not feature a roof structure.

We have reviewed record drawing information provided by City staff and have not identified any conflict with existing utilities in the area of the proposed containment area. We assume that no such conflicts exist. The construction contractor will be responsible to identify and mitigate any conflicts identified during construction.

Additional Task Item 2 - Drainage Facilities

AECOM will provide construction plans and specifications for a gravity drain connection (assumed 6 inch) between the proposed containment area and the existing cul-de-sac drain. We will also connect the proposed FOG rock trap to the new drain to facilitate maintenance of the screen. Seal water from the positive displacement pumps will also be directed to the drain.



We have assumed that adequate fall exists between the proposed containment area and the existing drain, and that no conflicts exist along the alignment. Through discussions with plant staff and our preliminary review of existing record drawings, we assume that the nearby utilities (such as the plant outfall line) are adequately deep as to not impact the design of the proposed drain line.

We have budgeted 6 hours of time to further review existing as-built drawings to evaluate conflicts and determine grade lines such as inverts at the existing cul-de-sac drain. If adequate cover does not exist over the proposed drain line, a slurry trench may be recommended.

Additional Task Item 3 – Requested Revisions to Existing Work

To date AECOM has performed work beyond what was approved in our original scope and budget (e.g. providing a reinforced concrete slab and seismic design, and participating in additional meetings and coordination efforts). We have also evaluated various revisions to the scope (additional digester piping, SCADA integration, and drainage improvements), analyzed potential impacts to project cost, and provided an opinion of cost for each potential revision.

Additionally, upon review of the Preliminary Design Memo (submitted April 28, 2010), significant modifications to the original scope of the project were requested by City staff. To incorporate these requests, AECOM must abandon some work already completed, revise other existing work, and perform new work not anticipated. These tasks include:

- Revising system layout
- Recalculating pump system curves
- Performing additional electrical calculations and layout
- Performing additional CAD design work
- Design of additional equipment pedestals
- Providing technical specs for a different tank and appurtenances,
- Revising cost opinions
- Providing additional direction for controlling and programming two duplex pump systems.

To accommodate the direction requested by City staff without eroding the approved budget for the remaining work, AECOM is requesting additional budget of \$4,277 to incorporate these revisions. As always, work would be performed on a time-and-materials basis and will be billed based on actual work performed.

Additional Task Item 4 – Additional Construction Phase Support

Our approved Scope of Work includes limited construction phase support. We are currently authorized to respond to four (4) RFIs, assist the City with examining bids, attend a pre-construction meeting, and manage submittals. With the additional project components noted above, we are requesting an increase in budget for additional submittal review and RFI response.

We are also authorized to be onsite for four (4) hours during the first day of field work, four (4) hours during one progress visit during construction, and for four (4) hours for one final visit to evaluate the near completed facilities. Our site visits are intended to monitor the overall



construction progress of the project and to address any major deficiencies encountered. Our approved scope does not include construction management or construction observation where daily activities are monitored and recorded. We are therefore not requesting additional budget to manage the additional construction activities. If unforeseen site conditions or quality concerns arise as construction proceeds, AECOM can perform additional support and site visits on an as-needed time and materials basis to assist with resolving issues and developing solutions in the field. Any additional services would be requested in writing for approval prior to the work being performed.

An hourly breakdown of these scope revisions can be seen on the attached worksheet (attached).

Budget Summary

Existing Approved Budget	Budget Revision Request 2	Revised Budget
\$64,506	\$21,859	\$86,365

Please sign and return the enclosed copy of this letter, thereby enabling us to perform these additional services on a time and materials basis.

Thank you,

A handwritten signature in black ink, appearing to read "Jon Hanlon".

Jon Hanlon, PE

City of Santa Barbara

Signed:
Date:
Title:

Project Budget

El Estero FOG Pilot Program
Budget Revision 2

City of Santa Barbara

Task Description	Personnel Hours					Budget		
	Principal	Managing Engineer	Associate Engineer	Drafter	Total Hours	Labor	Non-Labor Fees	Total
Additional Task Item 1 - FOG spill Containment								
Plans (1 sheet)		1	4	12	17	\$ 1,935	\$ 155	\$ 2,090
specs		1	8		9	\$ 1,175	\$ 94	\$ 1,269
structural engineering	6				6	\$ 1,200	\$ 96	\$ 1,296
Misc. details		2	8	8	18	\$ 2,190	\$ 175	\$ 2,365
Subtotal	6	4	20	20	50	\$ 6,500	\$ 520	\$ 7,020
Additional Task Item 2 - Drainage Facilities								
record drawing review			6		6	\$ 750	\$ 60	\$ 810
Plans (1 sheet)		2	6	12	20	\$ 2,360	\$ 189	\$ 2,549
Specs		2	8		10	\$ 1,350	\$ 108	\$ 1,458
Subtotal	-	4	20	12	36	\$ 4,460	\$ 357	\$ 4,817
Task Group 3 -								
Revisions to Work Already Completed		4	16	12	32	\$ 3,960	\$ 317	\$ 4,277
Subtotal	-	4	16	12	32	\$ 3,960	\$ 317	\$ 4,277
Task Group 4 - Additional Construction Phase Services								
RFIs and Bid Addenda		2	4		6	\$ 850	\$ 68	\$ 918
Submittal Review and Management		4	16		20	\$ 2,700	\$ 216	\$ 2,916
Change Order Review and Management		2	8		10	\$ 1,350	\$ 108	\$ 1,458
additional record drawings				4	4	\$ 420	\$ 34	\$ 454
Subtotal	-	8	28	4	40	\$ 5,320	\$ 426	\$ 5,746
Total	6	20	84	48	158	\$ 20,240	\$ 1,619	\$ 21,859

Amounts shown are fee.

Personnel Category	\$/HR
Principal	\$200.00
Managing Engineer	\$175.00
Associate Engineer	\$125.00
Drafter	\$105.00



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase Change Order Authority For American Recovery And Reinvestment Act Road Overlay Project

RECOMMENDATION:

That Council authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the American Recovery and Reinvestment Act (ARRA) Road Overlay Project (Project), Contract No. 23,321, in the amount of \$90,000, for a total project expenditure authority of \$1,256,154.

DISCUSSION:

BACKGROUND

On September 19, 2009, the Federal Highway Administration authorized the expenditure of \$2,674,796 in ARRA grant funds for Citywide road maintenance. The funding was divided into two separate project contracts. The subject Project contract addresses severely distressed roadway surfaces, improving roads that require extensive spot repairing, and including resurfacing entire roadway surfaces. The other contract is the ARRA Road Maintenance Project that primarily addresses roads with mild to significant distresses by slurry or cape sealing roadway surfaces.

On March 16, 2010, Council awarded the Project construction contract to Nye and Nelson, Inc. (Bid No. 3583), in the amount of \$1,166,154. The original Project Change Order Authority is approximately 12% of the base contract amount of \$1,045,276, or \$120,878.

CURRENT STATUS

Recently, City staff received several complaints that the pavement condition of the Carrillo Street and Highway 101 underpass has degraded significantly this past winter. As a result, the appropriate repair for this portion of roadway is now recommended to be changed from the original surface sealing design to a full depth grind and overlay with new asphalt. The proposed work is estimated to cost an additional \$90,000. This

represents a significant addition to the original scope of work for the Project. In order to safely stay within the Change Order Authority for this additional work, staff recommends increasing the existing Change Order Authority.

The original Change Order Authority of \$120,878 was sufficient to cover items typically associated with minor extra work, including differences between estimated and actual bid quantities. Typical Change Order items include increased areas of spot repairs, extra placement of asphalt leveling, and extra detailing associated with pavement repairs.

BUDGET/FINANCIAL INFORMATION:

FUNDING

The following summarizes the additional expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Initial Contract Amount	\$1,045,276	\$120,878	\$1,166,154
Grind and resurface Carrillo Street underpass	\$0	\$90,000	\$90,000
Totals	\$1,045,276	\$210,878	\$1,256,154

It is recommended that the Change Order Authority be increased by \$90,000, from \$120,878 to \$210,878, to cover the additional work identified in this report. The total project expenditure authority will be increased to \$1,256,154.

The Federal funds allocated for this Project have been previously appropriated by Council. Construction costs for this contract, up to \$1,166,154, are 100% funded by ARRA; however, anything over the original Change Order amount may not be eligible for ARRA grant funding if all of the funding is expended. There are sufficient funds in the Streets Capital Fund to cover the extra work item, if necessary.

PREPARED BY: Joshua Haggmark, Principal Civil Engineer/TC/mj

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
REDEVELOPMENT AGENCY MINUTES

Regular Meeting
June 8, 2010
Council Chamber, 735 Anacapa Street

CALL TO ORDER

Chair Helene Schneider called the joint meeting of the Agency and the City Council to order at 2:02 p.m.

ROLL CALL

Agency members present: Dale Francisco, Frank Hotchkiss, Grant House, Michael Self, Bendy White, Chair Schneider.

Agency members absent: Das Williams.

Staff present: Executive Director/Secretary James L. Armstrong, Agency Counsel Stephen P. Wiley, Deputy Director Paul Casey, Housing and Redevelopment Manager Brian Bosse, City Clerk Services Manager Cynthia M. Rodriguez.

PUBLIC COMMENT

No one wished to speak.

CONSENT CALENDAR (Item No. 1)

The title of the resolution related to the Consent Calendar was read.

Motion:

Agency/Council Members House/Francisco to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Agency/Council Member Williams).

1. Subject: Adoption Of Resolution To Authorize Use Of Redevelopment Agency Tax Increment Funds For Police Station Renovation Project And Approval Of Contract For Professional Services (700.08/8)

Recommendation:

- A. That the City Council hold a public hearing and adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving and Adopting the Findings Required by Health and Safety Code Section 33445.1 for Redevelopment Agency Funding of Capital Improvements for the Police Station Renovation Project Located Outside and Not Contiguous to the Central City Redevelopment Project Area, and Authorizing Certain Other Actions; and
- B. That the Redevelopment Agency Board authorize the expenditure of \$151,246 for seismic and structural analysis of the Police Station by Coffman Engineers, building assessment services by Paul Poirier and Associates Architects, and related project management services by Public Works Department staff.

Action: Approved the recommendations; City Council Resolution No. 10-035 and Contract No. 23,438 (June 8, 2010, joint report from the Deputy Director/Assistant City Administrator/Community Development Director, Police Chief and Public Works Director; proposed resolution; Affidavit of Publication; Summary Report pursuant to Section 33679 of the Health and Safety Code on funding for the Police Station Renovation).

ADJOURNMENT

Chair Schneider adjourned the meeting at 4:16 p.m.

SANTA BARBARA
REDEVELOPMENT AGENCY

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
CHAIR

CYNTHIA M. RODRIGUEZ, CMC
CITY CLERK SERVICES MANAGER



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY BOARD AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Redevelopment Agency Board

FROM: Accounting Division, Finance Department

SUBJECT: Redevelopment Agency Fiscal Year 2010 Interim Financial Statements For The Eleven Months Ended May 31, 2010

RECOMMENDATION:

That Redevelopment Agency Board Accept the Redevelopment Agency Fiscal Year 2010 Interim Financial Statements for the Eleven Months Ended May 31, 2010.

DISCUSSION:

The Interim Financial Statements for the Eleven Months Ended May 31, 2010 (91.7% of the fiscal year) are attached. The Interim Financial Statements include budgetary activity in comparison to actual activity for the Redevelopment Agency's General, Housing, and Capital Projects Funds.

ATTACHMENT: Redevelopment Agency Interim Financial Statements for the Eleven Months Ended May 31, 2010

PREPARED BY: Rudolf J. Livingston, Accounting Manager

SUBMITTED BY: Robert Samario, Interim Fiscal Officer

APPROVED BY: City Administrator's Office

REDEVELOPMENT AGENCY
OF THE
CITY OF SANTA BARBARA

INTERIM FINANCIAL STATEMENTS
FISCAL YEAR 2010
FOR THE ELEVEN MONTHS
ENDED MAY 31, 2010

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA

General Fund

**Interim Statement of Revenues, Expenditures and Encumbrances
For the Eleven Months Ended May 31, 2010 (91.7% of Fiscal Year)**

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Incremental Property Taxes	\$ 16,337,400	\$ 16,063,798	\$ -	\$ 273,602	98.33%
Investment Income	264,700	177,640	-	87,060	67.11%
Interest Loans	5,000	47,707	-	(42,707)	954.14%
Rents	48,000	36,282	-	11,718	75.59%
Total Revenues	<u>16,655,100</u>	<u>16,325,427</u>	<u>-</u>	<u>329,673</u>	<u>98.02%</u>
Use of Fund Balance	4,197,643	3,847,770	-	-	91.67%
Total Sources	<u>\$ 20,852,743</u>	<u>\$ 20,173,197</u>	<u>\$ -</u>	<u>\$ 329,673</u>	<u>96.74%</u>
Expenditures:					
Material, Supplies & Services:					
Office Supplies & Expense	\$ 3,000	\$ 998	\$ -	\$ 2,002	33.27%
Mapping, Drafting & Presentation	250	-	-	250	0.00%
Janitorial & Hshld Supplies	100	-	-	100	0.00%
Minor Tools	100	-	-	100	0.00%
Special Supplies & Expenses	5,000	1,199	3,181	620	87.60%
Building Materials	100	-	-	100	0.00%
Equipment Repair	1,000	981	-	19	98.10%
Professional Services - Contract	787,155	606,323	-	180,832	77.03%
Legal Services	154,508	153,594	-	914	99.41%
Engineering Services	20,000	10,988	-	9,012	54.94%
Non-Contractual Services	12,000	6,081	-	5,919	50.68%
Meeting & Travel	7,500	213	-	7,287	2.84%
Mileage Reimbursement	300	-	-	300	0.00%
Dues, Memberships, & Licenses	13,500	14,275	-	(775)	105.74%
Publications	1,500	620	-	880	41.33%
Training	7,500	1,065	-	6,435	14.20%
Advertising	2,000	41	-	1,959	2.05%
Printing and Binding	3,000	554	-	2,446	18.47%
Postage/Delivery	1,000	832	-	168	83.20%
Non-Allocated Telephone	500	-	-	500	0.00%
Vehicle Fuel	1,300	767	-	533	59.00%
Equipment Rental	500	-	-	500	0.00%
Total Supplies & Services	<u>1,021,813</u>	<u>798,531</u>	<u>3,181</u>	<u>220,101</u>	<u>78.46%</u>
Allocated Costs:					
Desktop Maint Replacement	25,207	23,106	-	2,101	91.67%
GIS Allocations	4,785	4,386	-	399	91.66%
Building Maintenance	1,785	1,644	-	141	92.10%
Planned Maintenance Program	6,752	6,189	-	563	91.66%
Vehicle Replacement	5,323	4,879	-	444	91.66%
Vehicle Maintenance	4,396	4,030	-	366	91.67%
Telephone	2,908	2,666	-	242	91.68%
Custodial	3,674	3,368	-	306	91.67%
Communications	4,663	4,274	-	389	91.66%
Property Insurance	8,142	7,464	-	678	91.67%
Allocated Facilities Rent	5,746	5,267	-	479	91.66%
Overhead Allocation	693,628	635,826	-	57,802	91.67%
Total Allocated Costs	<u>767,009</u>	<u>703,099</u>	<u>-</u>	<u>63,910</u>	<u>91.67%</u>
Special Projects	7,640,077	7,326,511	43,103	270,463	96.46%
Transfers	9,759,023	9,697,138	-	61,885	99.37%
Grants	1,545,028	423,147	96,833	1,025,048	33.66%
Equipment	8,070	344	-	7,726	4.26%
Fiscal Agent Charges	11,500	6,526	-	4,974	56.75%
Appropriated Reserve	100,223	-	-	100,223	0.00%
Total Expenditures	<u>\$ 20,852,743</u>	<u>\$ 18,955,296</u>	<u>\$ 143,117</u>	<u>\$ 1,754,330</u>	<u>91.59%</u>

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA

Housing Fund

Interim Statement of Revenues, Expenditures and Encumbrances

For the Eleven Months Ended May 31, 2010 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Incremental Property Taxes	\$ 4,084,400	\$ 4,015,950	\$ -	\$ 68,450	98.32%
Investment Income	150,000	65,321	-	84,679	43.55%
Interest Loans	160,000	191,218	-	(31,218)	119.51%
Miscellaneous	-	4,091	-	(4,091)	100.00%
Total Revenues	<u>4,394,400</u>	<u>4,276,580</u>	<u>-</u>	<u>117,820</u>	<u>97.32%</u>
 Use of Fund Balance	 <u>2,792,958</u>	 <u>2,560,273</u>	 <u>-</u>	 <u>-</u>	 <u>91.67%</u>
Total Sources	<u><u>\$ 7,187,358</u></u>	<u><u>\$ 6,836,853</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 117,820</u></u>	<u><u>95.12%</u></u>
 Expenditures:					
Material, Supplies & Services:					
Office Supplies & Expense	\$ 1,800	\$ 864	\$ -	\$ 936	48.00%
Special Supplies & Expenses	1,800	805	-	995	44.72%
Equipment Repair	500	458	-	42	91.60%
Professional Services - Contract	721,383	651,575	210	69,598	90.35%
Legal Services	2,000	-	-	2,000	0.00%
Non-Contractual Services	2,000	3,814	-	(1,814)	190.70%
Meeting & Travel	6,000	206	-	5,794	3.43%
Mileage Reimbursement	100	-	-	100	0.00%
Dues, Memberships, & Licenses	2,025	1,440	-	585	71.11%
Publications	200	31	-	169	15.50%
Training	5,000	567	-	4,433	11.34%
Postage/Delivery	500	405	-	95	81.00%
Non-Allocated Telephone	500	-	-	500	0.00%
Equipment Rental	100	-	-	100	0.00%
Total Supplies & Services	<u>743,908</u>	<u>660,165</u>	<u>210</u>	<u>83,533</u>	<u>88.77%</u>
 Allocated Costs:					
Desktop Maintenance Replacement	7,562	6,932	-	630	91.67%
GIS Allocations	2,393	2,194	-	199	91.68%
Building Maintenance	893	819	-	74	91.71%
Planned Maintenance Program	4,001	3,668	-	333	91.68%
Telephone	969	888	-	81	91.64%
Custodial	1,867	1,711	-	156	91.64%
Communications	2,897	2,656	-	241	91.68%
Insurance	166	152	-	14	91.57%
Allocated Facilities Rent	3,405	3,121	-	284	91.66%
Overhead Allocation	181,432	166,313	-	15,119	91.67%
Total Allocated Costs	<u>205,585</u>	<u>188,454</u>	<u>-</u>	<u>17,131</u>	<u>91.67%</u>
 Transfers	 829	 760	 -	 69	 91.68%
Equipment	2,500	262	-	2,238	10.48%
Housing Activity	5,518,246	2,572,181	-	2,946,065	46.61%
Principal	470,000	470,000	-	-	100.00%
Interest	168,950	174,898	-	(5,948)	103.52%
Fiscal Agent Charges	1,300	1,265	-	35	97.31%
Appropriated Reserve	76,040	-	-	76,040	0.00%
Total Expenditures	<u><u>\$ 7,187,358</u></u>	<u><u>\$ 4,067,985</u></u>	<u><u>\$ 210</u></u>	<u><u>\$ 3,119,163</u></u>	<u><u>56.60%</u></u>

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA
Capital Projects Fund
Interim Statement of Revenues, Expenditures and Encumbrances
For the Eleven Months Ended May 31, 2010 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
SB Trust for Historic Preservation	\$ 522,180	\$ 522,180	\$ -	\$ -	100.00%
Fire Station #1 EOC Donations	6,000	6,000	-	-	100.00%
Fire Station #1 Remodel Donations	-	25,595	-	(25,595)	100.00%
Transfers-In	2,243,621	2,180,216	-	63,405	97.17%
Total Revenues	<u>2,771,801</u>	<u>2,733,991</u>	<u>-</u>	<u>37,810</u>	<u>98.64%</u>
Use of Fund Balance	12,208,909	11,191,564	-	1,017,345	91.67%
Total Sources	<u>\$ 14,980,710</u>	<u>\$ 13,925,555</u>	<u>\$ -</u>	<u>\$ 1,055,155</u>	<u>92.96%</u>
Expenditures:					
Finished					
Fire Station #1 Remodel	\$ 377,482	\$ 349,192	\$ 9,169	\$ 19,121	94.93%
Fire Station #1 EOC	202,064	198,851	1,306	1,907	99.06%
Underground Tank Abatement	23,070	(46,111)	-	69,181	-199.87%
Construction Phase					
IPM - Sustainable Park Improvements	9,511	116	9,511	(116)	101.22%
Carrillo Rec Center Restoration	2,200,000	1,669,982	530,018	-	100.00%
925 De La Vina Rental Costs	480,000	137,874	-	342,126	28.72%
Design Phase					
Soil Remediation - 125 State St	550,000	13,154	169,291	367,555	33.17%
Planning Phase					
Opportunity Acquisition Fund	366,500	-	-	366,500	0.00%
RDA Project Contingency Account	1,129,524	-	-	1,129,524	0.00%
Parking Lot Capital Improvements	192,621	111,838	65,756	15,027	92.20%
PD Locker Room Upgrade	7,525,483	93,843	-	7,431,640	1.25%
Phase II - E Cabrillo Sidewalks	600,000	9,145	3,905	586,950	2.18%
Chase Palm Park Light/Electric	569,000	423	-	568,577	0.07%
Plaza Del Mar Restroom Renovation	212,000	-	-	212,000	0.00%
Pershing Park Restroom Renovation	120,000	-	-	120,000	0.00%
Panhandling Edu. & Alt. Giving	75,000	-	75,000	-	100.00%
Housing Fund Contingency Account	348,455	-	-	348,455	0.00%
Total Expenditures	<u>\$ 14,980,710</u>	<u>\$ 2,538,307</u>	<u>\$ 863,956</u>	<u>\$ 11,578,447</u>	<u>22.71%</u>

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA

RDA Bonds - Series 2001A

Interim Statement of Revenues, Expenditures and Encumbrances

For the Eleven Months Ended May 31, 2010 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Investment Income	\$ -	\$ 866	\$ -	\$ (866)	100.00%
Transfers-In	-	4,544,973	-	(4,544,973)	100.00%
Total Revenues	-	4,545,839	-	(4,545,839)	100.00%
 Use of Fund Balance	 3,188,925	 2,923,198	 -	 265,727	 91.67%
Total Sources	\$ 3,188,925	\$ 7,469,037	\$ -	\$ (4,280,112)	234.22%
 Expenditures:					
Interest	\$ -	\$ 1,649,973	\$ -	(1,649,973)	100.00%
Principal	-	2,895,000	-	(2,895,000)	100.00%
Total Non-Capital Expenditures	-	4,544,973	-	(4,544,973)	100.00%
 Capital Outlay:					
Finished					
East Cabrillo Blvd Sidewalks	\$ 24,224	\$ 24,224	\$ -	\$ -	100.00%
 Construction Phase					
Carrillo Rec Center Restoration	1,000,000	-	1,000,000	-	100.00%
 Design Phase					
Mission Creek Flood Control @ Depot	1,964,701	-	-	1,964,701	0.00%
Brinkerhoff Lighting	200,000	15,472	14,597	169,931	15.03%
Total Expenditures	\$ 3,188,925	\$ 4,584,669	\$ 1,014,597	\$ (2,410,341)	175.58%

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA

RDA Bonds - Series 2003A

**Interim Statement of Revenues, Expenditures and Encumbrances
For the Eleven Months Ended May 31, 2010 (91.7% of Fiscal Year)**

	Annual Budget	Year-to-date Actual	Encum- brances	Remaining Balance	Percent of Budget
Revenues:					
Investment Income	\$ -	\$ 5,194	\$ -	\$ (5,194)	100.00%
Transfers-In	-	2,970,429	-	(2,970,429)	100.00%
Intergovernmental	-	85,766	-	(85,766)	100.00%
Total Revenues	-	3,061,389	-	(3,061,389)	100.00%
 Use of Fund Balance	 20,198,900	 18,515,765	 -	 1,683,135	 91.67%
Total Sources	\$ 20,198,900	\$ 21,577,154	\$ -	\$ (1,378,254)	106.82%
 Expenditures:					
Principal	\$ -	\$ 1,920,000	\$ -	\$ (1,920,000)	100.00%
Interest	-	1,050,430	-	(1,050,430)	100.00%
Arbitrage Rebate	440,000	-	-	440,000	0.00%
Total Non-Capital Expenditures	440,000	2,970,430	-	(2,530,430)	675.10%
 Capital Outlay:					
Finished					
Adams Parking Lot & Site Imprvmts	\$ 3,457	\$ 6,358	\$ -	\$ (2,901)	183.92%
Anapamu Open Space Enhancements	2,464	-	-	2,464	0.00%
Historic Railroad CAR	24,646	26,043	1,400	(2,797)	111.35%
Fire Station #1 Remodel	40,015	40,015	-	-	100.00%
 Construction Phase					
IPM - Sustainable Park Improvements	94,909	23,098	816	70,995	25.20%
West Beach Pedestrian Improvements	2,565,901	1,947,735	338,723	279,443	89.11%
Artist Workspace	612,042	86,326	-	525,716	14.10%
West Downtown Improvement	3,143,824	1,980,701	854,072	309,051	90.17%
Carrillo Rec Ctr Restoration	2,897,579	443,408	1,020,018	1,434,153	50.51%
 Design Phase					
Plaza De La Guerra Infrastructure	2,282,158	55,333	103,348	2,123,477	6.95%
Westside Community Center	216,066	29,217	6,943	179,906	16.74%
 Planning Phase					
Mission Creek Flood Control - Park Development	759,142	6,174	-	752,968	0.81%
Mission Creek Flood Control @ Depot	535,299	-	-	535,299	0.00%
Helena Parking Lot Development	499,798	9,513	-	490,285	1.90%
Fire Department Administration	3,750,000	58,751	211,312	3,479,937	7.20%
Chase Palm Park Restroom Renovation	186,600	-	-	186,600	0.00%
Downtown Sidewalks	175,000	-	-	175,000	0.00%
DP Structure #2, 9, 10 Improvements	150,000	31,430	74,294	44,276	70.48%
Library Plaza Renovation	150,000	-	-	150,000	0.00%
Chase Palm Park Wisteria Arbor	835,000	-	1,545	833,455	0.19%
 On-Hold Status					
Visitor Center Condo Purchase	500,000	-	-	500,000	0.00%
Lower State Street Sidewalks	335,000	-	-	335,000	0.00%
 Total Expenditures	\$ 20,198,900	\$ 7,714,532	\$ 2,612,471	\$ 9,871,897	51.13%



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Proposed Santa Barbara Tourism Business Improvement District

RECOMMENDATION: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Its Intention to Establish the Santa Barbara Tourism Business Improvement District (SBTBID) and Fixing the Time and Place of the Public Hearings Thereon and Giving Notice Thereof; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Requesting Consent of the Cities of Carpinteria and Goleta, and the County of Santa Barbara, to Create the Santa Barbara Tourism Business Improvement District.

DISCUSSION

EXECUTIVE SUMMARY

Lodging businesses throughout the Santa Barbara South Coast area have submitted petitions to the City of Santa Barbara City Clerk requesting formation of a Santa Barbara Tourism Business Improvement District ("SBTBID"). The SBTBID would be a new supplemental funding source for more effective tourism marketing programs. The proposed SBTBID would provide much needed supplemental funding for marketing efforts in the south coast area of Santa Barbara County, including the cities of Carpinteria, Goleta, and Santa Barbara, and nearby portions of Santa Barbara County. Adopting these resolutions would be the first step towards eventual SBTBID formation.

Background

The proposed SBTBID is a special benefit assessment district, which will be formed pursuant to the Property and Business Improvement District Law of 1994 (1994 Law). There are 49 districts of this type throughout California. A listing is attached. The purpose of the SBTBID is to increase tourism in the Santa Barbara South Coast area, by marketing it to potential visitors. The proposed SBTBID will provide funding for marketing efforts, working to attract visitors to lodging establishments throughout the south coast Santa Barbara area. Funding provided by the SBTBID would be supplemental to current funding of the Santa Barbara Conference and Visitors Bureau and Film Commission ("CVB").

Formation Process

To form the SBTBID, the formation proceedings specified in the 1994 Law must be followed, including accepting petitions, adopting a resolution declaring intention to form the district, holding public hearings to allow for comments, and adopting a resolution forming the district. The public hearings are proposed for July 27, 2010 and September 28, 2010, with adoption of the SBTBID on the date of the final public hearing.

In order to adopt the Resolution of Intention, the Council must receive signed petitions from lodging businesses representing more than fifty percent of the proposed assessment. The City Clerk has determined that petitions in support of the proposed SBTBID representing 58.62% of the proposed assessment have been received, in excess of the legal requirement of more than 50% of the proposed assessment. The Resolution of Intention declares the City Council's intent to form the SBTBID and sets the time and place for the two public hearings and directs the City Clerk to mail written notice of the time and place of the hearings to all affected lodging businesses located within the boundaries of the SBTBID.

The 1994 Law allows for the formation of multi-jurisdictional improvement districts, with consent of the included jurisdictions being granted to one "lead" jurisdiction. In this case, the City of Santa Barbara has agreed to act as the lead jurisdiction and by adopting the Resolution Requesting Consent will officially request consent from the cities of Carpinteria and Goleta, and the County of Santa Barbara, to include their jurisdictions (or portions thereof) in the proposed SBTBID. Each of those jurisdictions must grant consent in order for lodging businesses in their jurisdiction to be included in the SBTBID.

If the Council adopts the Resolution of Intention, the next step will be to hold a public hearing (called a public meeting in the 1994 Law). The Council will open the meeting for public comments, listen or receive all comments but will not take any action.

The second public hearing is currently scheduled for September 28, 2010. By the conclusion of this hearing, all protests to formation of the SBTBID must be received. If written protests are received (and not withdrawn in writing) from businesses owners in the proposed district which will pay fifty percent or more of the assessment proposed to be levied, no further proceedings to levy the assessment against such businesses shall be taken for a period of one year from the date of the majority protest.

If a majority protest is not received, the Council will determine whether to adopt the resolution of formation which levies the assessment and approval of the final management district plan (discussed below). The adoption of the resolution of formation and recordation of the notice and district map shall constitute the levy of the assessment for each of the five fiscal years of the term of the SBTBID.

Management District Plan

The 1994 Law requires creation of a management district plan, a guiding document for the district. A management district plan has been drafted and is attached in its current draft form. The plan may be amended in certain respects prior to its final adoption by the City Council. Staff contemplates that some changes in the plan may be necessary. Those changes include clarification of the administration fees, finalization of the SBTBID budget, finalization of the District map to clearly define the District boundaries and the identification and location of each business located within the SBTBID to be assessed, correction of the effective date of the SBTBID. The amount of assessment and boundary of the SBTBID, however, may not be changed. Key provisions of the management district plan are outlined below.

Assessment

If formed, the SBTBID will place an assessment on lodging businesses. The assessment rate varies from \$.50 per occupied room per night to \$2.00 per occupied room per night, based upon the average daily rate charged by each lodging business, as illustrated below. The assessment rate will be adjusted on an annual basis to reflect any changes in the prior years' average daily rates.

Average Daily Rate	Assessment Per Night
Less than \$100	\$0.50
Between \$100 and \$150	\$1.00
Over \$150 up to \$200	\$1.50
Over \$200	\$2.00

Governance

The SBTBID funds will be managed by a committee formed within the CVB. The committee will be composed of a diverse group of lodging property representatives, including representatives of four City of Santa Barbara lodging businesses. Each jurisdiction within the boundary of the SBTBID will be responsible for collecting the assessment from the affected businesses within its jurisdiction and remitting those assessments to the CVB. An administrative fee may be imposed by the jurisdiction to pay for the costs of collecting assessments and record keeping.

Term

The SBTBID will have a five-year term, unless terminated earlier. Business owners can petition for disestablishment of the district if they desire. The Santa Barbara City Council could also disestablish the SBTBID in certain cases of malfeasance or illegal activity. After five years, the petition and City Council approval process would have to be repeated to renew the SBTBID.

BUDGET/FINANCIAL INFORMATION

Adopting this resolution will have no immediate fiscal impacts. The proposed SBTBID, if formed, will work to bring visitors to the City, potentially increasing transient occupancy and sales tax revenues. Because the City will collect the SBTBID assessment from lodging businesses within its jurisdiction, it will be paid a fee equal to a percentage of the assessment collected. The amount of the City of Santa Barbara's fee is currently proposed at 3%. Prior to adoption of the final Management District Plan, this amount must be determined for each jurisdiction.

Adopting this resolution will have minor administrative impact. The City Clerk will be directed to forward a copy of the adopted Resolution Requesting Consent to the Clerk of the cities of Carpinteria and Goleta and the County of Santa Barbara. The City Clerk will also be required to mail notice of the public meeting and public hearing to all businesses proposed to be within the district. With eventual SBTBID adoption, the City Tax Collector will be responsible for collecting and disbursing the assessment funds, but the City will be reimbursed for any cost associated with assessment collection and disbursement.

The proposed SBTBID will have an overall positive impact on the City, increasing tourism and potentially raising both transient occupancy and sales taxes.

ATTACHMENTS: 1. Santa Barbara Tourism Business Improvement District
Management District Plan
2. California Tourism Business Improvement Districts

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office



**SANTA BARBARA TOURISM BUSINESS
IMPROVEMENT DISTRICT
MANAGEMENT DISTRICT PLAN**

Submitted to the

Santa Barbara Conference & Visitors Bureau and Film Commission

March 8, 2010

by



SANTA BARBARA TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

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I. INTRODUCTION AND OVERVIEW

Developed by the Santa Barbara Conference & Visitors Bureau and Film Commission (SBCVB), the Santa Barbara Tourism Business Improvement District (SBTBID) is a benefit assessment district proposed to help fund marketing and sales promotion efforts for lodging businesses. This approach has been used successfully in other destination areas throughout the country to improve tourism and drive additional room nights.

Location: The Cities of Santa Barbara, Carpinteria, Goleta and portions of unincorporated southern Santa Barbara County (see map on page 7).

Services: Marketing and sales promotions to increase tourism and to market the commercial lodging properties located in the SBTBID as a tourist, meeting and event destination. These services are designed to benefit the commercial lodging businesses within the SBTBID boundaries.

Budget: The total SBTBID budget for year one of its five (5) year operation is a base of approximately \$1,820,000.

Cost: The annual assessment rate for the first year of operation is as follows: lodging businesses with an average daily rate (ADR) of under \$100 shall be assessed \$0.50 per occupied room per night, lodging businesses with an ADR between \$100 and \$150 shall be assessed \$1.00 per occupied room per night, lodging businesses with an ADR over \$150 and up to \$200 shall be assessed \$1.50 per occupied room per night and lodging businesses with an ADR over \$200 shall be assessed \$2.00 per occupied room per night. Lodging properties with 3 or less units shall be exempt from the assessment. Any person who exercises occupancy for 30 consecutive days or less shall be assessed. Based on the benefit received, assessments will not be collected on lodging stays of more than 30 consecutive days, federal government employees on government business, and stays at time shares. Assessments pursuant to the SBTBID shall not include room nights resulting from stays pursuant to contracts executed prior to August 1, 2010. The ADR figures shall be updated annually.

Name: Santa Barbara Tourism Business Improvement District.

Formation: TBID formation requires submittal of petitions from lodging businesses representing more than 50% of the total annual assessment followed by a City Council hearing and an opportunity for a written protest. The assessed lodging business owners will receive notice of the public meeting and the public hearing by mail. If there is a majority written protest, the TBID will not be formed. In addition, prior to the City Council hearing, the cities of Carpinteria, Goleta and the County will consider resolutions of consent to the City of Santa Barbara to form the TBID.

Duration: The proposed SBTBID will have a five-year life. The SBTBID assessment will be implemented beginning August 1, 2010 and will be in effect for five years. After five years, the petition and City Council hearing process must be repeated for the SBTBID to be renewed. Also, once per year there is a 30 day period in which owners paying more than 50% of the assessment may protest and terminate the district.

II. WHY A TOURISM BUSINESS IMPROVEMENT DISTRICT?

There are several reasons why now is the right time to form a TBID; the most compelling reasons are as follows:

1. The Need to Increase Occupancy

The formation of the SBTBID is a proactive effort to provide supplemental funding beyond that provided by the Cities of Santa Barbara, Carpinteria, and Goleta, and the County of Santa Barbara. The funding ensures the SBCVB has adequate financing for the investment required to increase occupancy in the lodging industry and reach competitive in the conference segment of the tourism market. The investment will cover an expanded marketing and promotional budget needed to reach this market segment.

2. An Opportunity for Increasing Tax Revenues

As occupancy rates increase, so too will the TOT revenues. With stable public/private funding for the SBCVB, annual occupancy rates should increase significantly as the new marketing and sales promotion programs are implemented. Greater occupancy will also produce an increase in sales tax revenues from tourist spending. This represents a substantial return. The formation of a SBTBID in partnership with the SBCVB creates a stable funding source tied directly to tourism promotion

3. The Ability to Grow the Economy without Substantial Development

The SBCVB expects to achieve the above levels of revenue growth without a proportionate increase in the “footprint” of the tourism industry infrastructure. Little or no development should be required to raise average occupancy rates. Any development required to raise occupancy rates even more should be relatively minor in scope compared to the existing facilities.

4. An Opportunity to Unite the Lodging Community

The formation of a BID can unite the local lodging community around mutual goals for the community. The BID is an opportunity for the SBCVB and the lodging industry to work together to grow marketing resources for Santa Barbara.

5. Funds are Dedicated to a Specific Purpose

Unlike other sources of funding, monies collected through a tourism BID can only be used for the specific uses set out in this plan. This allows the Board of Directors to choose goals and services that specifically fit the area and benefits the lodging community as a whole, while knowing that these funds will be dedicated to achieving these goals.

III. WHAT IS A TOURISM BUSINESS IMPROVEMENT DISTRICT?

Tourism Business Improvement Districts (TBIDs) utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging and tourism-related business owners to organize their efforts to increase tourism. Tourism-related business owners within the district fund a TBID, and those funds are used to provide services that the businesses desire and that benefit the lodging businesses within the District.

TBID services may include, but are not limited to:

- Marketing of the Area
- Tourism Promotion Activities
- Sales Lead Generation

In California, Tourism BIDs are formed pursuant to the Property and Business Improvement District Law of 1994 (PBID Law). This law allow for the creation of a special benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TBIDs:

- Funds cannot be diverted for other government programs;
- TBIDs are customized to fit the needs of each tourism district;
- They allow for a wide range of services, including those listed above;
- TBIDs are *designed, created and governed by those who will pay* the assessment;
- The statute requires petition support from lodging businesses paying over 50% of the annual proposed assessments;
- They provide a stable funding source for tourism promotion.

The Property and Business Improvement District Law of 1994 (AB 3754), as amended through January 1, 2010, is provided in Appendix 1 of this document.

IV. SANTA BARBARA TBID BOUNDARY

The SBTBID will include all commercial lodging businesses with more than three units available for public occupancy within the boundaries of the Cities of Santa Barbara, Carpinteria, and Goleta, and portions of unincorporated southern Santa Barbara County (See Map). The boundaries of the district can be more particularly described as: Refugio Road being the western boundary, the Santa Barbara/Ventura County line being the eastern boundary, the Pacific Ocean being the southern boundary, and Camino Cielo / Juncal Road being the northern boundary.

Please see the map on the following page. A larger copy of this map can be obtained by calling (916)325-0604 or (800)999-7781.



V. SERVICE PLAN AND BUDGET

A. Assessment

The SBTBID will include all commercial lodging business with more than three units, existing or in the future, available for public occupancy within the boundaries of the Cities of Santa Barbara, Carpinteria, and Goleta, and portions of unincorporated southern Santa Barbara County (See Map). The annual assessment rate for the first year of operation is as follows: lodging businesses with an average daily rate (ADR) of under \$100 shall be assessed \$0.50 per occupied room per night, lodging businesses with an ADR between \$100 and \$150 shall be assessed \$1.00 per occupied room per night, lodging businesses with an ADR over \$150 and up to \$200 shall be assessed \$1.50 per occupied room per night and lodging businesses with an ADR over \$200 shall be assessed \$2.00 per occupied room per night. Lodging properties with 3 or less units shall be exempt from the assessment. Any person who exercises occupancy for 30 consecutive days or less shall be assessed. Based on the benefit received, assessments will not be collected on lodging stays of more than 30 consecutive days, federal government employees on government business, and stays at time shares. Assessments pursuant to the SBTBID shall not include room nights resulting from stays pursuant to contracts executed prior to August 1, 2010. The ADR figures shall be updated annually.

Bonds will not be issued.

The amount of assessment, if passed on to each transient, shall be separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business.

B. Determination of Special Benefit

State law provides that the expenses of the district shall be apportioned in proportion to the benefit received by assessed businesses.

A special benefit is defined as a particular and distinct benefit over and above general benefits conferred on the public at large. Conversely, a general benefit is a benefit to businesses in the surrounding community or a benefit to the public in general resulting from the improvement, activity or service to be provided by the assessment levied. Many general benefits to the public at large are conveyed by municipal services, such as fire protection, police services and public transit services. These services are targeted to serve the public at large and do not confer special benefits on particular businesses.

The services in this Management District Plan are designed to provide targeted services to the assessed lodging businesses. These services are tailored not to serve the general public, but rather to serve the specific lodging businesses within the District, e.g., the proposed activities are specifically targeted to increase room nights for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. For example, only the assessed lodging businesses will receive sales leads from the sales efforts paid for with TBID monies. In addition, listing on

websites and collateral materials *paid for with TBID monies* will only include the assessed businesses.

The activities paid for from assessment revenue are lodging business services creating special benefit to those businesses. In addition, these activities are not for the benefit of the general public and do not provide general benefit as defined above. All general benefits (if any) to the surrounding community and general public are intangible and unquantifiable. It is appropriate that these special business-related benefits be funded through business assessments.

C. Time and Manner for Collecting Assessments

The SBTBID assessment will be implemented beginning August 1, 2010 and will continue for five years. Each jurisdiction will be responsible for collecting the assessment (including any delinquencies, penalties and interest) from each of the lodging businesses located in the boundaries of the TBID. Each commercial lodging operator shall report and remit the TBID assessments to its jurisdiction.

Each jurisdiction shall forward the assessments to the SBCVB which will have the responsibility of managing TBID programs as provided in this Management District Plan. Jurisdictions may charge a fee of no more than 1% (one percent) of the budget to cover its administrative expenses.

All penalties and interest shall be charged at the same rates as those provided by the Santa Barbara Transient Occupancy Tax, Santa Barbara Municipal Code Title 4, Chapter 4.08.

D. Service Plan Budget and Programs to be Provided:

Service Plan Budget Summary- Fiscal Years 2010-2015

The summary of the fiscal year 2010-2011 (year one) service plan budget for the SBTBID is provided below. The total five year improvement and service plan budget is projected at approximately \$1,820,000 annually.

The assessments collected will fund the marketing efforts to generate room nights at the participating hotels. The marketing budget will include:

- Sales and Marketing
- Communications and Advertising
- Administration and Advocacy

Additionally, jurisdictions may charge a fee of no more than 1% (one percent) of the total assessment for administrative expenses.

E. Annual Service Plan:

A service plan budget has been developed to deliver service levels throughout the District. An annual service plan and budget will be developed by the TBID Committee of the SBCVB Board.

Please see the budget exhibit below. The budget also includes a portion for contingencies and renewal of the District. Should the SBCVB Board approve, funds may be appropriated for the renewal effort. If there are funds remaining at the end of the District term and lodging businesses choose to renew, these remaining funds could be transferred to the renewed District. If there are funds remaining at the end of the District and lodging businesses choose not to renew, any remaining funds will be spent consistent with this Plan.

This service plan will only include lodging businesses that are participating in the SBTBID.

SANTA BARBARA TBID
Annual Budget, Years One - Five

Services Provided	Descriptions	Total
SALES and MARKETING		\$ 186,550
	Sales and Marketing programs and activities will be designed to attract overnight groups. These activities may include: <ul style="list-style-type: none"> • Sales Missions • Trade Shows • Sales Calls • International Representation 	
ADVERTISING and COMMUNICATION		\$1,433,250
	Advertising and Communication activities will build greater awareness of the participating lodging businesses. These activities may include: <ul style="list-style-type: none"> • Trade Promotion • Online Advertising • Trade Advertising 	
ADMINISTRATION and ADVOCACY		\$ 182,000
Collection Administration Fee (Not to exceed 1%)		\$18,200
Total Tourism District Annual Budget		\$1,820,000.00

VI. BID GOVERNANCE

A. Santa Barbara TBID Corporation Governance

The SBCVB shall serve as the Owners' Association for the SBTBID. The President and CEO of the SBCVB shall be charged with the day-to-day operations of the TBID. There shall be a TBID sub-committee charged with developing budgets and priorities for the TBID. The TBID committee shall be comprised of a diverse group taking into consideration the size of lodging properties and geographic area.

B. Brown Act and California Public Records Act Compliance

The Owner's Association of a TBID is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the SBCVB board must be held in compliance with the public notice and other requirements of the Brown Act. The Owner's Association is also subject to the record keeping requirements of the California Public Records Act.

C. Annual Report

The SBCVB board shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1).

APPENDIX 1 – THE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994 STREETS AND HIGHWAYS CODE Division 18. Parking

*** THIS DOCUMENT IS CURRENT THROUGH 2009-2010 EXTRAORDINARY SESSIONS 1-5, ***
AND 7, AND URGENCY LEGISLATION THROUGH CH 4 OF THE 2010 REGULAR SESSION

§ 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

§ 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

§ 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

§ 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

§ 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

§ 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

§ 36605. [Section repealed 2001.]

§ 36606. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

§ 36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

§ 36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county.

§ 36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

§ 36610. 'Improvement'

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

§ 36611. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

§ 36612. "Property"

"Property" means real property situated within a district.

§ 36613. "Activities"

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.
- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.

(f) Activities which benefit businesses and real property located in the district.

§ 36614. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

§ 36614.5. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of *Part 1 of Division 2 of Title 5 of the Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of *Division 7 of Title 1 of the Government Code*), for all documents relating to activities of the district.

§ 36615. "Property owner"; "Owner"

"Property owner" or "owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. The city council has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this subdivision requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient.

§ 36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

§ 36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

§ 36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

§ 36622. Contents of management district plan

The management district plan shall contain all of the following:

(a) A map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

(I) Any other item or matter required to be incorporated therein by the city council.

§ 36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business. A written protest which does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners of businesses in the proposed district which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

§ 36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

§ 36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need

to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties or businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

§ 36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

§ 36626.5. [Section repealed 1999.]

§ 36626.6. [Section repealed 1999.]

§ 36626.7. [Section repealed 1999.]

§ 36627. Notice and assessment diagram

Following adoption of the resolution establishing the district pursuant to Section 36625 or 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. If the assessment is levied on businesses, the text of the recorded notice shall be modified to reflect that the assessment will be levied on businesses, or specified categories of businesses,

within the area of the district. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

§ 36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

§ 36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

§ 36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

§ 36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

§ 36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution establishing the management district plan described in Section 36622. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

§ 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

§ 36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

§ 36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

§ 36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

§ 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623 . Notice

of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

§ 36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

§ 36641. [Section repealed 2001.]

§ 36642. [Section repealed 2001.]

§ 36643. [Section repealed 2001.]

§ 36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

§ 36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

§ 36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners of real property or of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal

to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

§ 36671. Refund of remaining revenues upon disestablishment of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – LODGING BUSINESSES TO BE ASSESSED WITHIN THE SBTBID:

Carpinteria

Best Western Carpinteria Inn
Motel 6
Motel 6
Holiday Inn Express Hotel & Suites
Sandyland Reef Inn
Sunset Shores Condominiums
Casa Del Sol Motel
Prufrock's Garden Inn by the Beach

County of Santa Barbara

Four Seasons Resort The Biltmore Santa Barbara
El Capitan Canyon
Ramada Limited
Extended Stay America
San Ysidro Ranch, a Rosewood Resort
Rancho Oso Guest Ranch & Stables
Circle Bar B Guest Ranch and Stables
Inn on Summer Hill
Summerland Inn
Ivanhoe Inn

Goleta

Bacara Resort & Spa
Holiday Inn Santa Barbara / Goleta
Best Western South Coast Inn
Hampton Inn, Goleta
Motel 6
Pacifica Suites Santa Barbara
Super 8 Motel

Santa Barbara

Fess Parker's DoubleTree Resort
Hotel Mar Monte
Hotel Oceana
Harbor View Inn
Sandman Inn, The
Canary Hotel

Lemon Tree Inn
El Encanto Hotel
Hotel Santa Barbara
Santa Barbara Inn
El Prado Inn
Holiday Inn Express - Hotel Virginia
Montecito Inn
Best Western Beachside Inn
Motel 6
Franciscan Inn
Motel 6
Upham Hotel and Country House, The
Hotel State Street
West Beach Inn
Avania Inn
Mason Beach Inn
Orange Tree Inn
Cabrillo Inn at the Beach
Hacienda Motel
Quality Inn
Guest House Inn
Marina Beach Motel
Inn at East Beach
Eagle Inn
Coast Village Inn
Pacific Crest Inn By The Sea
Fiesta Inn & Suites
Inn of the Spanish Garden
Town & Country Inn
Casa Del Mar Inn
Castillo Inn
Villa Rosa Inn
Sunset Motel/ Town & Country Inn
Harbor House Inn
Cheshire Cat Inn and Cottages
Presidio Motel
Hope Ranch Motel
Simpson House Inn
Holiday Lodge

Travelers Motel
Old Yacht Club Inn
Beach House Inn and Apartments
Bath Street Inn Bed & Breakfast
A White Jasmine Inn
Santa Barbara Tourist Hostel
Blue Sands Motel
Secret Garden Inn & Cottages

The Orchid Inn at Santa Barbara Bed &
Breakfast
Casa Mina
Villa Elegante
James House Santa Barbara
Goodfriend Inn



California Tourism Business Improvement Districts

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
Carlsbad CVB	\$874,000	\$1.00 per occupied room per night	Tourism Promotion	2005	'89	Majority Protest
Claremont	\$175,000	2% of gross room rental revenue	Tourism promotion	2009	'94	Affirmative Petition Majority Protest
Chula Vista	\$650,000	2.5% of gross room rental revenue	Tourism Promotion & Capital Improvements	2009	'94	Affirmative Petition Majority Protest
Costa Mesa	\$1.1 Million	2% of gross room rental revenue	Promotion of Meeting & Group Business, State Associations, & Leisure Travel	1995	'89	Majority Protest
Dana Point	\$1 Million	\$3.00 per occupied room night	Tourism Promotion	2009	'89	Affirmative Petition Majority Protest

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
Davis (Yolo County Conference & Visitors Bureau)	\$95,000	1% of gross room rental revenue	Tourism Promotion & Joint funding of the Yolo County Visitors Bureau	2000	'89	Majority Protest
Fairfield	\$400,000	2% of gross room rental revenue	Tourism Promotion & California Welcome Center	2005	'89	Majority Protest
Folsom	\$160,000	2% of gross room rental revenue	Tourism Marketing Program	2002	Local Ordinance Based on '94	Petition, Majority Protest
Huntington Beach	\$800,000	1% of gross room rental revenue	Tourism Marketing and Promotion	2002	'89	Majority Protest
Laguna Beach	\$950,000	2% of gross room rental revenue	Tourism Promotion	2001	'89	Majority Protest
Lodi	\$156,000	3% of gross room rental revenue	Tourism Promotion	2004	'89	Majority Protest
Long Beach	\$3 Million	3% of gross short term room rental	Tourism Marketing and Promotion	2005	'89	Majority Protest

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
Madera County	\$400,000	2.0% of gross room rental revenue	Tourism Marketing and Promotion	2009	'94	Petition, Majority Protest
Marin County (9 Cities and County)	\$660,000	1% of gross room rental revenue	Tourism Promotion & Destination Marketing	2004	'89	Majority Protest
Mariposa County	\$920,000	1.0% of gross short term (stays less than 30 days) room rental revenue per night	Tourism Promotion & Marketing	2008	'94	Affirmative Petition, Majority Protest
Mendocino County (County and 4 Cities)	\$550,000	1% of gross room rental revenue	Tourism Promotion and Marketing	2006	'89	Majority Protest
Monterey County	\$2,200,000	\$1.00 per occupied room per night for full service; \$0.50 per occupied room per night for limited service as defined by Smith Travel Research.	Tourism Promotion and Marketing	2006	'89	Majority Protest
Morro Bay	\$500,000	3% of gross room rental revenue	Tourism Promotion	2009	'89	Majority Protest
Napa Valley	\$4,000,000	2% of gross room rental revenue	Tourism Promotion	2010	'94	Affirmative Petition, Majority Protest

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
Newport Beach	\$1.7 Million	2% of gross room rental revenue	Tourism Promotion	2009	'94	Majority Protest
Oceanside	\$472,500	1.5% gross room rental revenue	Tourism Marketing	2010	'94	Affirmative Petition, Majority Protest
Pacific Grove	\$130,000	\$1.50 per occupied room per night for full service; \$1.00 per occupied room per night for limited service as defined by Smith Travel Research.	Tourism Promotion and Physical Improvements	2007	'89	Majority Protest
Palm Springs (9 Cities)	\$7.6 Million	2% of gross room rental revenue	Tourism Promotion	2008	'89	Majority Protest
Pasadena	\$2.4 Million	2.89% of gross room rental revenue	Conference Center Expansion	2003	'89	Majority Protest
Paso Robles	\$500,000	2.0% of gross room rental revenue	Promotion of Tourism	2008	'89	Majority Protest
Pismo Beach	\$600,000	1.0% of gross room rental revenue	Tourism Marketing	2009	'89	Majority Protest
Placer Valley (3 Cities)	\$380,000	\$1.50 - \$1.00 per occupied room per night	Sports Tourism Promotion	2003	'89	Majority Protest

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
Redding City	\$380,000	1% of gross room rental revenue	Tourism Promotion	2008	'94	Affirmative Petition, Majority Protest
Redding Hilltop	\$295,000	1.5% of gross room rental revenue	Streetscape Improvements (providing matching dollars)	2005	'94	Affirmative Petition, Majority Protest
Sacramento (3 Cities and County)	\$3.2 Million	\$1.50 - \$0.20 per occupied room per day (based on zones and annual revenue)	Convention & Trade Show Recruitment, Tourism Marketing & Destination Development	2000	'89	Majority Protest
San Diego	\$25 million	2% of gross room revenue	Tourism Promotion & Marketing	2007	Local Ordinance Based on '94	Majority Protest, Ordinance, Petition, Ballot
San Francisco	\$27 million (2/3 to Marketing/Sales and 1/3 to Moscone Center)	Zone 1 : 1.5% of gross room revenue in years 1-5; 1.0% of gross room revenue in years 6 -15. Zone 2 : 1% of gross room revenue in years 1 -5; .75% of gross room revenue in years 6-15.	Tourism Marketing & Services/ Moscone Center Improvements	2008	Local Ordinance Based on '94	Affirmative Petition, Ballot, Majority Protest
San Jose CVB	\$1,500,000	\$0.75 - \$2.00 per occupied room per day (based on zone)	Tourism Promotion	2006	'89	Majority Protest
San Luis Obispo (City)	\$950,000	2% of gross room rental revenue	Tourism Promotion	2008	'89	Majority Protest

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
San Luis Obispo County	\$90,000	2% of gross room rental revenue	Tourism Promotion	2009	'89	Majority Protest
San Mateo (11 Cities and County)	\$2.1 Million	\$1.00 - \$0.15 per occupied room per night (based on no. of rooms and meeting space)	Tourism Promotion	2001	'89	Majority Protest
Santa Clara	\$600,000	\$1.00 per occupied room per night	Tourism Promotion	2004	'89	Majority Protest
Santa Cruz County	\$1,140,000	\$1.00 or \$1.50 per occupied room per night	Tourism Promotion	2010	'94	Affirmative Petition, Majority Protest
Santa Ynez Valley	\$600,000	\$2.00 per occupied room per night	Tourism promotion	2010	'94	Affirmative Petition, Majority Protest
Sonoma (7 Cities and County)	More than \$2 Million	2% of gross room rental revenue (hotels with over \$350,00 in revenue)	Tourism Promotion	2004	'89	Majority Protest
South Lake Tahoe	\$1,800,000	\$3.00 per occupied room per night for hotels/motels; \$4.50 per occupied room per night for timeshares, condos, triplexes, duplexes and homes under property management.	Tourism Promotion	2006	'94	Affirmative Petition, Majority Protest

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
Stockton	\$500,000	2% of gross room rental revenue	Tourism Promotion	2007	'89	Majority Protest
Temecula CVB	\$430,000	2% of gross room rental revenue	Tourism Promotion	2005	'89	Majority Protest
Tiburon	\$44,000	1% of gross room rental revenue	Tourism Promotion	2007	'89	Majority Protest
Torrance	\$500,000	1% of gross room rental revenue	Tourism Promotion	2010	'94	Affirmative Petition, Majority Protest
Tri-Valley CVB	\$1,520,000	\$1.00 per occupied room per night on lodging businesses of 35 rooms or more	Tourism Promotion	2005	'94	Affirmative Petition, Majority Protest
Vallejo	\$300,000	\$1.00 - \$0.50 per occupied room per night (based on no. of rooms)	Tourism Marketing	2003	'89	Majority Protest
West Hollywood	\$1.1 Million	1.5% of gross room rental revenue	Tourism Promotion	1992	'89	Majority Protest

<i>District</i>	<i>Annual Total</i>	<i>Assessment Rates</i>	<i>Programs Funded</i>	<i>Year Approved</i>	<i>Enabling Statute</i>	<i>Approval Mechanism</i>
Woodland (Yolo County Conference & Visitors Bureau)	\$60,000	1% of gross room rental revenue	Tourism Promotion & Joint funding of the Yolo County Visitors Bureau	2004	'89	Majority Protest

Considering or Forming Tourism Business Improvement Districts:

Anaheim
Burbank
Del Mar
Lake Arrowhead
Los Angeles
Manteca
Orange County
Rancho Cordova
Santa Barbara
Santa Rosa
Shasta County
Stockton (89-94 conversion)
Temecula (Wine Country)
Vacaville
West Sacramento

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Revised June 21, 2010
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RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA DECLARING ITS INTENTION TO
ESTABLISH THE SANTA BARBARA TOURISM BUSINESS
IMPROVEMENT DISTRICT (SBTBID) AND FIXING THE
TIME AND PLACE OF THE PUBLIC HEARINGS THEREON
AND GIVING NOTICE THEREOF

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq., authorizes cities and counties to establish property and business improvement districts for the purposes of promoting tourism;

WHEREAS, the Santa Barbara Convention and Visitors Bureau and Film Commission, lodging business owners, members of the business community and representatives from the City of Santa Barbara have met to consider the formation of the Santa Barbara Tourism Business Improvement District (SBTBID);

WHEREAS, Santa Barbara Convention and Visitors Bureau and Film Commission has drafted a Management District Plan which sets forth the name of the proposed district, a map of the district in sufficient detail to locate each business within its boundaries to be assessed, a description of the boundaries of the district a service plan and budget, a proposed means of governance, and a list of the businesses to be assessed; and

WHEREAS, more than fifty percent of the lodging business owners subject to assessment under the SBTBID have petitioned the City Council to establish the SBTBID.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT:

1. The recitals set forth herein are true and correct.
2. The City Council finds that the lodging businesses that will pay more than fifty percent (50%) of the assessment proposed in the Management District Plan have signed and submitted petitions in support of the formation of the SBTBID. The City Council accepts the petitions and adopts this resolution of intention to establish the SBTBID and to levy an assessment on certain lodging businesses within the SBTBID boundaries in accordance with the Property and Business Improvement District Law of 1994.
3. The City Council finds that the Management District Plan satisfies all requirements of Streets and Highways Code § 36622.

4. The City Council declares its intention to establish the SBTBID and to levy assessments on lodging businesses within the SBTBID boundaries pursuant to the Property and Business Improvement District Law of 1994.
5. Each jurisdiction within the boundaries of the SBTBID shall collect the SBTBID assessment from each lodging business to be assessed within its jurisdiction and shall remit said assessment to the Santa Barbara Convention and Visitors Bureau and Film Commission as provided in the Management District Plan and each jurisdiction may impose an administrative fee to pay for its administrative costs in an amount set forth in the Management District Plan.
6. The boundaries of the SBTBID shall be the cities of Santa Barbara, Carpinteria, and Goleta, and portions of unincorporated southern Santa Barbara county bounded on the west by Refugio Road, on the east by the Santa Barbara County line, on the south by the Pacific Ocean and on the north by Camino Cielo Road/Murieta Juncal Road.
7. The name of the district shall be the Santa Barbara Tourism Business Improvement District (SBTBID).
8. The annual assessment rate for the first year of operation is as follows: lodging businesses with an average daily rate (ADR) of under \$100 shall be assessed \$0.50 per occupied room per night, lodging businesses with an ADR between \$100 and \$150 shall be assessed \$1.00 per occupied room per night, lodging businesses with an ADR over \$150 and up to \$200 shall be assessed \$1.50 per occupied room per night and lodging businesses with an ADR over \$200 shall be assessed \$2.00 per occupied room per night. Lodging properties with 3 or less units shall be exempt from the assessment. Based on the benefit received, assessments will not be collected on lodging stays of more than 30 consecutive days, federal government employees on government business, and stays at time shares. Assessments pursuant to the SBTBID shall not include room nights resulting from stays pursuant to contracts executed prior to October 1, 2010. The ADR figures shall be updated annually.
9. The assessments levied for the SBTBID shall be applied toward sales promotion and marketing programs to market Santa Barbara as a tourist, meeting and event destination, and for other capital improvements as set forth in Streets and Highways Code §36610. Funds remaining at the end of any year may be used in subsequent years in which SBTBID assessments are levied as long as they are used consistent with the requirements of this resolution.
10. The SBTBID will have a five year term unless renewed pursuant to Streets and Highways Code § 36660.

11. Bonds shall not be issued.
12. The time and place for the public hearing to establish the SBTBID and the levy of assessments is set for July 27, 2010, at 2:00 p.m., or as soon thereafter as the matter may be heard, at the Council Chambers located at 735 Anacapa Street, Santa Barbara, CA 93101.
13. The time and place for the public hearing to establish the SBTBID and the levy of assessments is set for September 28, 2010, at 2:00 p.m., or as soon thereafter as the matter may be heard, at the Council Chambers located at 735 Anacapa Street, Santa Barbara, CA 93101. The City Clerk is directed to provide written notice to the lodging businesses subject to assessment of the date and time of the hearing and to provide that notice as required by Streets and Highways Code § 36623.
14. At the public hearing the testimony of all interested persons for or against the establishment of the SBTBID may be received. If at the conclusion of the public hearing, there are of record written protests by the owners of the lodging businesses within the proposed SBTBID that will pay fifty percent (50%) or more of the estimated total assessment of the entire SBTBID, no further proceedings to establish the SBTBID shall occur.
15. The complete Management District Plan is on file with the City Clerk and may be reviewed upon request.
16. This resolution shall take effect when adopted.

RESOLUTION NO. _____

RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA REQUESTING CONSENT OF THE
CITIES OF CARPINTERIA AND GOLETA, AND THE
COUNTY OF SANTA BARBARA, TO CREATE THE SANTA
BARBARA TOURISM BUSINESS IMPROVEMENT
DISTRICT

WHEREAS, the City Council of the City of Santa Barbara desires to begin proceedings to form the Santa Barbara Tourism Business Improvement District ("SBTBID");

WHEREAS, certain tourism business owners have requested that the City Council (the "Council") of the City of Santa Barbara (the "City") create the SBTBID;

WHEREAS, portions of the territory proposed to be included in the SBTBID lie within the boundaries of the cities of Carpinteria and Goleta, and the County of Santa Barbara (the "cities and county"), bounded on the west by Refugio Road, on the east by the Santa Barbara County line, on the south by the Pacific Ocean and on the north by Camino Cielo Road/Murietta Juncal Road, as shown generally on the map attached hereto as Exhibit A and incorporated herein by such attachment; and

WHEREAS, the area of the cities and county which lies within the boundaries of the proposed SBTBID will, in the opinion of the Council, be benefited by the improvements and activities, and the purpose sought to be accomplished by the work can best be accomplished by a single comprehensive scheme of work.

NOW, THEREFORE, be it resolved by the City Council of the City of Santa Barbara that:

Section 1: The above recitals are true and correct.

Section 2: Consent of the cities and county, through their City Councils and Board of Supervisors, is hereby requested to create the SBTBID, and to grant to the Council jurisdiction for all the purposes in connection with creation of the proposed SBTBID.

Section 3: The City Clerk of the City of Santa Barbara is hereby directed to transmit a certified copy of this Resolution to the Clerks of the cities of Carpinteria and Goleta, and the County of Santa Barbara.

EXHIBIT A District Boundaries

The SBTBID will include all commercial lodging businesses with more than three units available for public occupancy within the boundaries of the Cities of Santa Barbara, Carpinteria, and Goleta, and portions of unincorporated southern Santa Barbara County (see map below). The boundaries of the district can be more particularly described as: Refugio Road being the western boundary, the Santa Barbara/Ventura County line being the eastern boundary, the Pacific Ocean being the southern boundary, and Camino Cielo/Murietta Juncal Road being the northern boundary.





CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Eucalyptus Hill Road Underground Utility Assessment District Engineer's Report And Recommended Project Conclusion

RECOMMENDATION: That Council:

- A. Receive the Assessment Engineer's Report (Report) for the Eucalyptus Hill Road Underground Utility Assessment District (UUAD); and
- B. Take no further action regarding the formation of the proposed Eucalyptus Hill Road UUAD.

DISCUSSION:

Background

On May 22, 2007, Council received and filed a petition from property owners of a portion of Eucalyptus Hill Road (generally between 1808 and 1981 Eucalyptus Hill Road), requesting that a UUAD be initiated (see Attachment), and adopted a Resolution initiating proceedings for the formation of a UUAD for Eucalyptus Hill Road. Of the 30 property owners listed on the petition, 20 demonstrated their interest or support for the UUAD. At that time, Council also authorized the issuance of Purchase Orders to hire consultants, including the Assessment Engineer, utility company design services, and project management services.

Staff held public neighborhood information meetings on November 14, 2007, May 28, 2008, January 29, 2009, October 29, 2009, and April 26, 2010.

Assessment Engineer's Report

The Assessment Engineer prepared an Engineer's Report (Report) under the provisions of the California Municipal Improvement Act of 1913 and the City's Municipal Code. This included obtaining Santa Barbara County Assessor's property owner information, preparing a Boundary Map and Assessment Diagram, preparing benefit methodology which specifies the method used to apportion the costs to properties within the UUAD, and reviewing preliminary cost estimates.

The Report identified four additional properties outside the originally petitioned UUAD area (1893, 1929, and 1931 Eucalyptus Hill Road, and 871 Deerpath Road) that must be added to the UUAD because the Assessment Engineer determined these properties would receive a special benefit if this UUAD was formed. It was also determined that one property (1840 Barker Pass Road) would not receive a special benefit if this UUAD was formed and was subsequently removed from the UUAD assessment.

The Report identifies that the purpose of the UUAD is to provide financing to underground electrical, telephone and cable utilities, which will enhance neighborhood aesthetics, improve emergency ingress and egress, and provide new and upgraded facilities. It reflects property assessments ranging from \$8,004 to \$64,030 for 100% payoff and from \$9,472 to \$75,775, if financed through the UUAD Program. Per state law, these assessments are required to be in direct proportion to the benefit received by the proposed undergrounding of the existing overhead utilities. The Assessment Engineer made a presentation of these costs at an April 26, 2010, neighborhood information meeting.

The Report has been filed with the City Clerk, as required by the City Municipal Code, and reflects updated assessment criteria modified in response to public input, various recommendations by the Assessment Engineer regarding apportionment of costs, construction cost estimates, and input received from the utility companies.

Staff has compared this Report with other approved assessment reports within the state and has determined that this Report is acceptable and appropriate.

Eucalyptus Hill Road Status

The February 12, 2008 Council meeting included discussion related to the level of neighborhood support necessary for Council to approve this UUAD. In summary, Council indicated that there would need to be strong neighborhood support for Council to approve the UUAD.

In accordance with the UUAD Program procedures, staff conducted a survey in May 2010 to gauge the current level of neighborhood support to form the UUAD. This was subsequent to the April 26, 2010 meeting outlining anticipated property assessments. The question was: "Do you support the proposed Eucalyptus Hill Road UUAD based on the project cost estimates, including the estimated cost to be assessed against your property?" The survey results showed that 18 property owners responded "no," 12 property owners responded "yes," and 3 property owners did not respond. Based on the survey results, staff recommends no further action toward the formation of the proposed UUAD.

If the UUAD was to proceed, the next steps would be to bid the project to finalize costs, finalize loan financing for the UUAD, and then proceed to a final vote by the property owners. In accordance with Proposition 218, the final vote must be a "weighted vote" proportional to the benefit received. If the final weighted vote had the same results as the recent survey, the project would not meet the 50% weighted majority vote required by Proposition 218 for approval.

Conclusion

Since the majority of property owners in this UUAD have submitted written responses of non-support of the project, staff recommends that Council acknowledge the Report as an approvable report, but take no further action regarding the formation of the proposed Eucalyptus Hill Road UUAD. By taking no further action, the City's work on the proposed UUAD will be concluded. A notice was mailed to property owners within the proposed UUAD to advise the property owners of the outcome of the survey and staff's recommendation that Council take no further steps toward the formation of the UUAD.

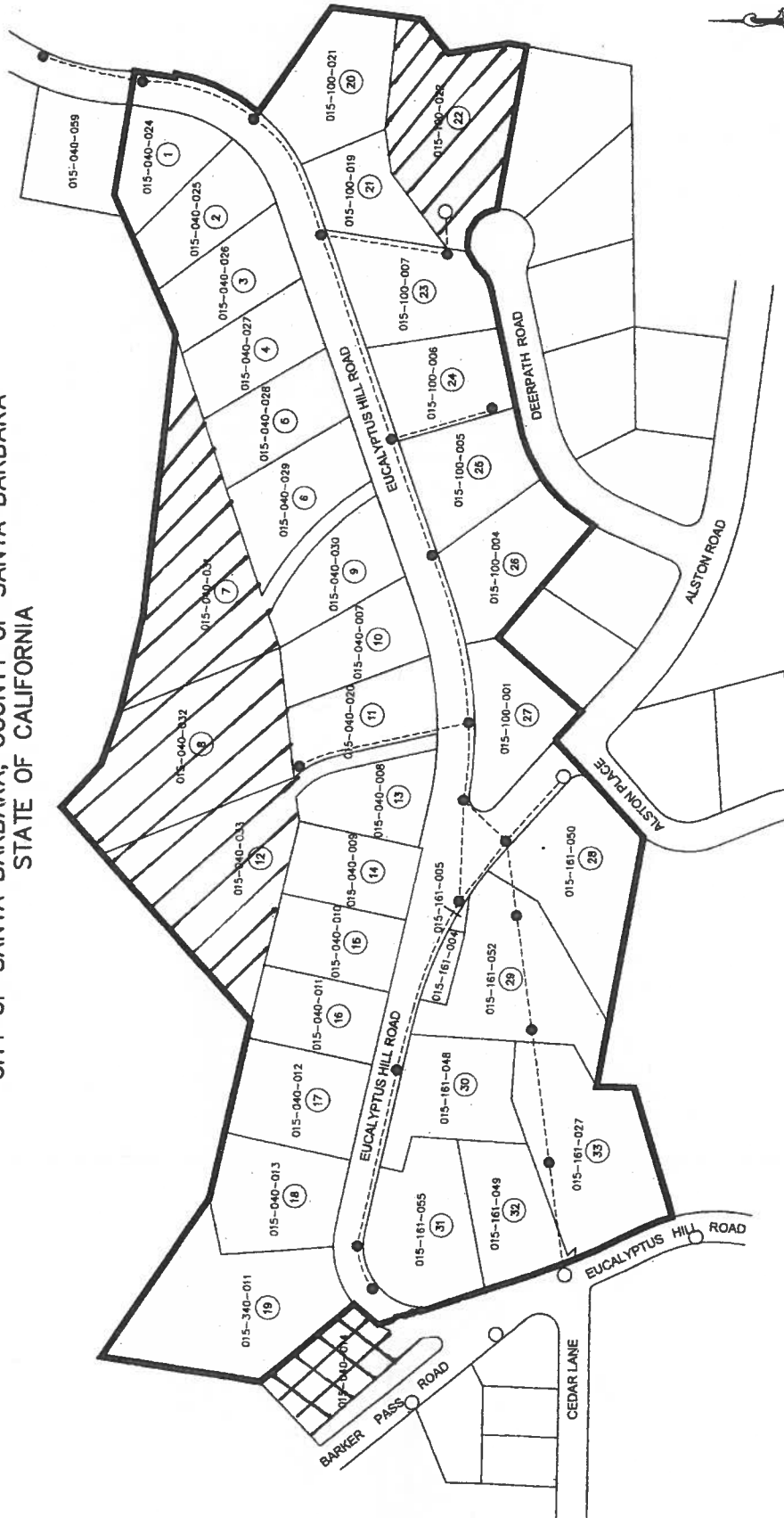
ATTACHMENT: Eucalyptus Hill Road UUAD Boundary Map

PREPARED BY: John Ewasiuk, Principal Civil Engineer/LA/mj

SUBMITTED BY: Christine F. Andersen, Public Works Director

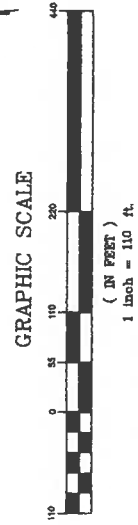
APPROVED BY: City Administrator's Office

ASSESSMENT DIAGRAM EUCALYPTUS HILL ROAD UNDERGROUND UTILITY ASSESSMENT DISTRICT CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA STATE OF CALIFORNIA



LEGEND:

- ASSESSOR'S PARCEL LINE
- ASSESSMENT DISTRICT BOUNDARY
- ASSESSOR'S PARCEL NUMBER (APN)
- ASSESSMENT NUMBER
- POLE TO BE REMOVED
- POLE TO REMAIN
- LINES TO BE REMOVED



Properties added
Properties removed

THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE SANTA BARBARA COUNTY ASSESSOR.

123-456-789



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Council Work Sessions Regarding *Plan Santa Barbara* General Plan Update

RECOMMENDATION:

That Council hold a series of work sessions regarding *Plan Santa Barbara (PlanSB)* with presentations by staff on topics including but not limited to: an overview of the Draft Proposed General Plan; the Program Environmental Impact Report; Transportation Demand Management; and various policy directives for residential density, development and design policies, and growth management.

DISCUSSION:

On June 22 and 23, 2010, the City Council and Planning Commission held a special joint meeting on PlanSB. At the meeting a status report was provided, the public provided comment, and the Council and Planning Commission discussed the Planning Commission's recommendations on key policies. The meeting also revealed several points of tentative agreement (see attached summary matrix). At the close of the meeting, Council requested staff return to Council for a series of work sessions on a number of important aspects of the proposed *PlanSB* General Plan Update.

Based on the Council's discussion and comments at the joint meeting, the following topics will be presented to help the Council understand these critical components, and facilitate the development of a package of policy preferences that will provide direction for preparation of the *PlanSB* documents for final review and adoption this Fall. The format of the work sessions will be: staff presentations; Council questions and discussion; followed by a brief public comment period. The discussion portion is intended to lead to summary direction at the final meeting. However, to the degree appropriate, such direction may also be expressed at each session.

The proposed schedule and topics are proposed as follows:

Tuesday, July 13: General Plan Overview and Policies

The overview discussion will include the attached summary matrix of comments received by Councilmembers on key policies to help identify areas of tentative agreement and topics where further discussion is needed. Amended policy language will also be reviewed. The General Plan Framework will be explained including sustainability principles, reorganization of the General Plan Elements, guidance for future updates of the Elements, and a focus on the Land Use Element, Land Use Map, and Housing Element.

Tuesday, July 20: Program Environmental Impact Report (EIR) and Transportation Demand Management (TDM)

In the morning, staff and the City Attorney will present both general and specific information regarding the environmental review process including State and local standards for preparation of the EIR, the *PlanSB* EIR analysis and conclusions, certification of a Program EIR, and its use for decision making and findings. Later in the afternoon, a presentation will be made to explain TDM – what it is, what it entails as mitigation in the EIR, and what policies may be developed to consider future implementation of TDM.

Tuesday, July 27 and Thursday, July 28: Residential Density, Development & Design Policies; Growth Management & Development Plan Ordinance; and time permitting Summary Direction

Land use classifications and the associated densities are an essential part of the Land Use Element and Map. Policy direction on density, as well as design and development standards will be carried forward into ordinances and guidelines for future project review. The city's housing goals and policies will have been discussed at the July 13 worksession; this discussion will take a more in-depth look at the higher density incentives, what housing types are expected, and where development will likely occur.

The second objective for these meetings is to examine in more detail the non-residential growth management allocation of 1 million square feet and the associated development categories. Staff will provide information on the current pending and approved projects and how the status of the projects could influence the amount of development available for new "Community Benefit Land Uses." Further we will explain the current Development Plan Ordinance and what is expected to change with respect to the new growth limits proposed.

Tuesday, August 3: Summary Direction for Staff to Proceed with Preparation of PlanSB documents for final Review and Adoption

In the unlikely event that another meeting is needed, this work session would be held to provide summary direction to staff and the Planning Commission.

ATTACHMENT: Summary Matrix, June 23, 2010

PREPARED BY: Bettie Weiss, City Planner

SUBMITTED BY: Paul Casey, Assistant City Administrator

APPROVED BY: City Administrator's Office

Key Decision	Planning Commission Hybrid	City Council Hybrid 2.0	Considerations
General Plan Framework	Sustainability principles; re-organization of Elements; outline for future updates	Sustainability principles; re-organization of Elements; outline for future updates	Re-prioritize “drivers” w/ Economic & Historic Preservation emphasis
Growth Management	Limit non-residential growth to 1.0 mil sq ft	Limit non-residential growth to 1.0 mil sq ft	Consider staff concerns w/ 700K pending & approved
Average Unit Size	1,000 sq ft	1,000 sq ft	Need to be responsive to market for large units
Historic Preservation	EPV buffers (height & density restrictions) around districts and stand alone resources, w/ special treatment around Presidio	Needed and should go forward as high priority	
Rental Housing	50% density increase for rental & employer housing	50% density increase for rental & employer housing; need policy to rebuild rental at existing densities	
Water		Coordinate and explicitly reference Long Term Water Supply Plan	
Targeted Growth	Carefully target Downtown, transit corridors, coastal zone	Focus on the Downtown commercial designations	Consider Upper State street during implementation
Residential Parking Downtown	1.5 max/“unbundled”	“Unbundled”; reduced parking; off-site parking; tandem parking	Need protections for N’Hoods
Inclusionary Housing	Increase requirement from 15% to 25%	Sliding fees, lower for preferred types of development; commercial fee when economy recovers	
Second Units	Relax standards adjacent to transit/comer. & consider relaxing standards City-wide	Include sq ft in NPO Floor Area Ratio (FAR). Ensure neighborhood support.	Consider different needs for different N’Hoods; explore legalization.
Transit Demand Management	“Robust” TDM w/ parking pricing	Phase TDM implementation, contingent on Downtown Organization support	Identify use of future funds, i.e. D.O. support, transit etc.
Building Heights/FAR	2-3 Stories, 4 th Story w/ Super Majority; FARs & Form Based Codes implement measures	FAR to include commercial, residential and parking; interim FAR OK	Need more info; consider more open space & setbacks
Residential Density For Multi-Family	27- 45 du/acre & up to 60 du/acre w/super majority for comm. benefit projects. All affordable reviewed case-by case.	27- 45 du/acre & up to 60 du/acre w/super majority for comm. benefit projects; limited to commercial, w/ focus on the Downtown. All affordable reviewed case-by case.	Increase density only in test areas. Density transfer from Gaviota Coast to SB Coast.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010
TO: Mayor and Councilmembers
FROM: Airport Administration, Airport Department
SUBJECT: Conference With Real Property Negotiator

RECOMMENDATION: That Council:

- A. Hold a closed session to consider instructions to its negotiators regarding a possible long-term lease of City-owned property consisting of a fifteen acre parcel of real property located at 6100 Hollister Avenue at the Airport, bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map [City Parcel Map No. 20,608]) in the City of Santa Barbara. Instructions to negotiators will direct staff regarding the price and terms of payment of a possible lease of the City-owned property with Target Corporation, a Minnesota corporation. Negotiations are held pursuant to the authority of Section 54956.8 of the California Government Code. City Negotiators are: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Sarah Knecht, Assistant City Attorney. Negotiator for the potential lessee is Dietrich Haar, Real Estate Manager; and
- B. Hold a closed session to consider instructions to its negotiators regarding a possible long-term lease, purchase or exchange of City-owned property consisting of a fifteen acre parcel of real property located at 6100 Hollister Avenue at the Airport, bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map [City Parcel Map No. 20,608]) in the City of Santa Barbara. Instructions to negotiators will direct staff regarding the price and terms of payment of a possible lease, purchase or exchange of the City-owned property located at 6100 Hollister Avenue with the California Army National Guard for the National Guard Armory property located at 730 E. Canon Perdido (APN 031-041-001) in the City of Santa Barbara. Negotiations are held pursuant to the authority of Section 54956.8 of the California Government Code. City Negotiators are: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Stephen P. Wiley, City Attorney. Negotiator for the potential lessee, seller or exchange is Colonel Michael L. Herman.

SCHEDULING:

Duration, 30 Minutes; anytime

REPORT:

None anticipated

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director
Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. **440.05**

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 13, 2010

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Conference With Labor Negotiator

RECOMMENDATION:

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, Police Managers Association, the Treatment and Patrol Bargaining Units, Firefighters Association, and the Hourly Bargaining Unit about salaries and fringe benefits.

SCHEDULING: Duration, 30 minutes; anytime

REPORT: None anticipated

PREPARED BY: Kristy Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office